U.A.R.
GENERAL CONGRESS
of
THE NATIONAL UNION
Cairo, July 4th, 1960

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ADDRESS BY

**Mr. ABDEL LATIF EL-BOGHDADI**
VICE PRESIDENT AND MINISTER OF PLANNING

ON

# THE FIVE YEAR PLAN

FOR THE ECONOMIC AND SOCIAL
DEVELOPMENT OF THE U.A.R.

**1960 – 1965**

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# OVERALL FIVE-YEAR PLAN
# FOR ECONOMIC AND SOCIAL
# DEVELOPMENT IN THE UNITED ARAB REPUBLIC
# 1960—1965

Fellow Countrymen,

Greetings, I welcome you here as representatives of the valiant Arab people who, like a mighty giant have begun to awake from their slumber, determined to regain their position, assert their dignity and to mould their history according to their will.

This is an epoch-marking occasion on which citizens from every part of the Republic meet to participate in the discussion of future prospects, and to determine a future full of prosperity.

I am happy to stand among you and present one aspect of our blessed Revolution, a very important aspect indeed, that of the planning policy we have adopted and determined to achieve in order to reach, in the shortest possible time, the standard of prosperity befitting the mighty Arab people and their glorious history.

The launching of a planned economic and social life is rightly considered as the starting point to progress. It is a powerful move forward requiring every individual to work with determination and firm resolve so that our efforts might bear fruit.

Let us move forward, Brethren, in the spirit of unity and co-operation under the leadership of the man who devoted his life to you, President GAMAL ABDEL NASSER, the pioneer of Arab nationalism and hero of peace.

Now, dear Brethren, in order to define planning I ought to survey briefly our life before planning as comparison will guide and enlighten us.

## FACTS ABOUT THE PRE-PLANNED PERIOD

Before the Revolution, the economic structure of the state was basically built to serve colonial and feudal interests, production had its major source in agriculture and the cultivated land was subject to exploitation and feudal oppression. Peasants were victims of poverty, disease, ignorance, and injustice. In urban centres, foreign banks, and financial organizations were completely dominating the market, sharing huge profits with the influential and ruling classes.

Organizations directing foreign trade were almost totally owned by foreigners. Most of our exports and imports were conducted solely with the colonial power which occupied our country for a long period. Such occupation was based at one time on the pretence of protecting the Khedivial Throne against the peasant officers. Later, it was the pretence of protecting the Blue-Galabia peasants against the Khedive and the Pachas, followed later by the pretence of protecting the whole country against any Turkish attack. When they lacked further excuses for «protection» they claimed that they were protecting the Imperial Naval Communication Routes. After the independence of India, the protection was considered to be against communism, and so forth. And we were, all the time, dealing with a colonial power which claimed to be our ally economically, culturally and intellectually.

The economic structure, together with a corrupted government administration controlled by a rotten party system and dominated by the personal vested interests of the ruling circles could never lead to the pursuit of true economic progress. It has even caused the country to miss many good opportunities for laying the foundation of economic, and social progress.

Any quick review of the trend of national income during the fifty years before the Revolution, will show that per capita income has scarcely increased during that period. The rate of development, insignificant as it was, was greatly surpassed by the rate of increase of the population.

It is true that during the first decade of this century, the national income of the Southern Region, has recorded a relatively rapid rise due to better utilization of the Nile water thanks to the Aswan Dam. A similar phenomenon happened after the end of the two World Wars, due to the

substantial increase in the export prices of agricultural products which resulted in the accumulation of huge sterling balances, that could have been utilised to create a sound basis for the development of our economy.

If such good opportunities occured, they were lost and the accumulated wealth was scattered due to a corrupted administration, misuse, and the lack of definite aims to be achieved.

In each case the results did not only reflect lost opportunities, but also the prodigality and waste which prevailed during the years of prosperity, and the acute hardship in the lean years that followed. The country then became a prey to a severe economic crisis, during which, land ownership was transferred to mortgage banks, in which foreign interests were predominant and the funds were exhausted in counteracting the effects of waste, prodigality, and the recklessness of the rulers.

It was necessary for the Revolutionary Government, in such a situation, to effect a basic change in the economic system, before starting a continuous systematically planned rehabilitation process.

It issued the Agrarian Reform Law, as a basis for the liberation of the peasants, the restoration of dignity in their villages, as a means of destroying political and economic feudalism and the construction of a healthy agrarian society striving for growth, progress, and stability, based on individual ownership and cooperation for the public welfare, a society in which labourers become active owners and good citizens.

In order to implement the projects which would pave the way towards an over-all economic and social progress, so long paralyzed by partisan disputes, domination of personal interests, and colonial policy, the Revolution established the Permanent Council for the Development of National Production, and the Permanent Council for Public Services, as well as other numerous organizations for the purpose of gradually pushing the wheel of economic development and social evolution away from the stagnation which prevailed through the past years.

Such partial reforms, despite their importance, were only by way of an introduction to a transition stage towards the over-all reform which was necessary for the salvation of the financial and economic community from foreign political influence. Such influence had imposed itself upon our domestic policy and hindered all progress and development; it was upheld by the authority and influence it has upon the money and busi-

ness markets through banks, insurance companies, the former Suez Canal Co., and other colonial economic centres. In this connection, the Company Law was modified to give a chance to the local small individual capitals. Labour Laws reconciliation and arbitration were modified to protect enterprises against labour conflicts, to secure justice on both sides of conflicts and to prevent the unjustified dismissal of workers. A law was issued to encourage foreign capital and a special committee was formed for that purpose. New organizations and companies were granted taxation and financial concessions.

Besides, the Revolution in its first years had to end the foreign occupation, fight the party system and treachery within the country, and defend the rights of the Arab people of Palestine, whose case shall remain a shameful page in the history of humanity in general and Zionism in particular.

All these events, political and military, at home and abroad, were necessary to create a sound foundation for economic and social progress. It was clearly impossible to enter into overall programmes for development, and national mobilization of human and natural resources, before achieving stability and before the country had been unconditionally and indisputably handed over to its people.

Have we forgotten the course of events related to the financing of El Sadd-El-Aali (The High Dam at Aswan), when we decided to raise our standards of living by constructing it? Imperialists stood against us and insisted on its impossibility. But we insisted upon our rights and beliefs till we proved them, thus defeating their manoeuvers.

This is only an example, to show that when we speak about economic development and social progress on an overall national level, we cannot ignore the very close relation between development and foreign policy and between development and domestic policy.

In other words, no economic development can take place unless domestic and foreign policies as well as the military situation are favourable. At the same time foreign policy and military potentialities are supported and reinforced by a sound and strong economy.

Brethren,

We were obliged to postpone the execution of the Plan till the completion of the necessary preliminaries which I have just mentioned; and

due to the circumstances of the tripartite aggression and what preceeded it. A further postponement occurred after the declaration of the Union, in order to build the plans on the basis of the potentialities, requirements and aims of the two Regions. However, the time was not lost in vain.

I meant by this quick review to show that during the first years of the Revolution the country was being prepared to achieve an ever increasing stability and to enter a stage of development embracing every field, the object of which is greater prosperity and higher standards of living.

Planning and statistics organisms in both Regions drew great benefits from this postponement, for they kept working persistently to furnish the data, statistics, and studies necessary for the setting of a detailed national plan in order to be ready when the state gives the starting signal. Since the establishment of the nucleus of the planning system in 1955, training programmes were started and national accounts, evaluation of national income, estimates of the growth of the population and the labour force were also prepared. The planning organism was reorganized in its present form in the Southern Region in 1957.

After the Union, the state gave considerable attention to the establishment of a planning organization in the Northern Region. This organization, though recently established, was able to set the general landmarks of the national plan in spite of the short period of time available for it and the scarcity of statistical data. It has set, in conjunction with the ministries, the detailed development projects in the different sectors.

The starting signal was given when President Gamal Abdel Nasser, in the Co-operative Conference held in Cairo University on the 27th of November, 1958, kindly issued the order to prepare the overall Five-Year National Plan to include all economic and social sectors. At once, all bodies and organisations, public and private, started to work with confidence, prepared to meet all events.

Here, I find myself, Dear Brethren, obliged to speak to you for a while about the method of planning, its nature and why we have chosen it. I wish to give you a quick survey, so that all of us may be informed and work united, strong and conscientious to achieve these aims.

## GENERAL CONSIDERATIONS & SPECIFIC JUSTIFICATIONS FOR THE METHOD OF PLANNING

**Fellow Countrymen,**

The first of the general considerations which compel us to adopt a system of planning is the complication of economic life, and its inter-relationship. This necessitates the existence of a suitable organization or system which can both determine our potentialities, means and requirements, and coordinate the different economic measures and procedures. It must, at the same time be capable of promoting the process of development towards the achievement of our aims, at the most favourable terms, and with the best possible results.

Our urgent need for the creation of a system for planning becomes more evident when we remember that in both Regions of the UAR, there are no mechanisms which can react automatically and with enough speed to secure a continuous increase in production or in the rate of investment.

We can safely say that even in countries where the price and market mechanism are mature, economic planning is indispensible. Frequently individual and national interests clash. Thus capital may be directed towards the production of luxury goods due to high profit margins, while such production can bring but little satisfaction to the country as a whole.

Frequently, free competition leads to a waste of capital for some time, particularly when competition is severe and enterprises are liquidated out of existence. In most cases the big capitalist, becoming greatly influential, can oust his competitors, and then dictate his will on the market and control it.

Thus, neither free competition, nor the market system, would lead to the realization of maximum national satisfaction with minimum sacrifices on the part of society. For this reason all the states have adopted a system of planning with some methodological differences.

The second consideration from which evolves our need for planning is to secure a balanced growth of our national economy. What we mean

by «balanced» development, is that type which ensures harmony in the rates of development of all activities, so that no activity would be out of step with the others in such a way that its requirements will exceed its potentialities, or would be lagging behind the others, thus hindering their progress. The complete inter-relationship by which the national economy is distinguished, renders it like a chain whose strength is determined by the strength of its weakest link, however far the links are from each other.

On the other hand, the factors necessary for the realisation of development, take sometimes a long time to be attained, reaching up to whole decades, either for their establishment or for their adequate utilization. Hence the importance of planning for conditioning an economic policy which satisfies present needs in accordance with inherited potentialities, and which allows for progressive growth in the future.

Brethren,

These are the general considerations which compel us to adopt the doctrine of planning. If we look into the present Arab society, we find that the solution of all economic and social problems justify, in a more specific and complete way, our recourse to planning.

From the present economic situation we know that the standards of living are low in our country, our level of productivity in agriculture and industry is lower than in other countries, technical skill of workers and technicians is less advanced quantitatively and qualitatively, the national income of the U.A.R. is low, per capita income is small and the rate of increase in both national and per capita income slight.

We know all this from the actual conditions of our national economy, in spite of the fact that we have huge economic potentialities, mineral and natural resources, which are either untapped at all or partially so .

This is mainly due to the fact that the state, in the past, refrained from carrying out its economic responsibilities, which led to a complete lack of economic organization and coordination thus hindering some investment possibilities and making for economic disorder, exploitation and monopoly .

For example, individuals did not venture to enter some fields of economic activities that are so important to the national economy, either because they do not yield immediate profits or, because the profits are not enough. Besides, existing enterprises were only of benefit to a small

group while the masses were deprived of any benefit, contrary to the principles of social justice.

Moreover, we did not have proper technical and economic studies of the various projects. Development projects in the past were not based upon any precise study from a technical and economic view point . For example, no survey was made to determine our resources, our needs, and our potentialities . Possibilities of development were not studied . Modern technical processes were not reviewed to select what best suited our requirements. No institutions or research centres concerned with economic, scientific, and technical studies were established.

Thus, you see, Brethren, that had we left the economic life to continue as it used to be in the past without organization or coordination, we would not be able to achieve our aims with the required speed, to raise the level of national production and to make up for what we lost in past years .

You know, that one of our main problems in both regions of the Republic, is the rapid rate of growth of population. This fact urges us to toil for an increasing investment coefficient in each of the two regions, so that the rate of increase in the national income will exceed that of population.

Planning is therefore urgently needed to hasten the increase in the rate of growth of our national economy to the highest possible level so that it might by far exceed that of population. Developing countries which adopt planning, realize that it is a short cut to achieve econonic development

Furthermore, planning helps to avoid fluctuations in the national economy . Economic history shows that planned economies are less liable to economic changes and crises than otherwise.

Not only do economic problems compel us to resort to planning, there are also social considerations.

Probably the most important of these social considerations, is to decrease the differences in wealth and income. In spite of the low national and per capita income in our country, there exist distinct variations in wealth and income . If the national economy of the U.A.R were left without planning, these differences in wealth would increase with time, leading to a disjointed society of classes: a minority, ever decreasing in number, which owns most of the means of production, while the majority, con-

tinuously increasing in rate and number owns a small section of the means of production. This situation is bound to lead to serious and far-reaching ills. Moreover it is contrary to the Democratic Socialist and Co-operative ideology which is adopted by the U.A.R. Thus there is no doubt that planning will help to adjust this social entanglement, and at the same time ensure the most effective support for the Democratic, Socialist and Co-operative ideology, which is in essence the solution to the problems and needs of the U.A.R. society.

Brethren,

Planning was also needed to realize another social aim : that of securing employment for every citizen able and willing to work. Securing employment for citizens requires an increase in investment expenditure and the availability of the necessary finance. Such investments devoted to the extension of the cultivated area and the construction of factories and various enterprises, will absorb the greatest possible number of workers, and create employment channels for the expanding population . In the meantime, better training to achieve higher efficiency must be maintained.

These are the general considerations and the specific justifications which urge us to adopt overall planning for economic and social development .

You have seen how the Revolution has exerted continuous efforts to eliminate the effects of the past regime and to lay the foundations of the future on a sound basis. However, the Revolution continues in its race against time to secure for the Republic, with its two regions, a high standard of living together with a stable and sound economy capable of firmly withstanding any external forces. This necessitates taking into consideration many projects which aim at increasing production by exploiting untapped resources and the construction of new production potentialities in the sectors of irrigation, agriculture, industry, transport and other fields of economic activity.

It was necessary that all these numerous and different projects in both regions should be included in an overall plan.

Priorities of projects have to be decided upon in such a manner as to secure equilibrium, to spread overall benefits and to sustain continuous growth.

Upon these principles the President gave the starting signal to prepare the Plan in November, 1958.

## METHOD OF PLANNING AND PREPARATION OF THE PLAN

Accordingly, six principal committees were formed in the Southern Region, with more than sixty sub-committees known as the Joint Committees for Planning. They included government officials, businessmen, specialists and experts as well as experts of the National Planning Commission. These Committees included more than five hundred members of the highest calibre in the state. Meetings of these Committees continued for about five months beginning from January — till May 1958. They undertook detailed studies of the available funds, together with the projects than can be included in the Plan within the next five years, their capital requirements, their expected yield, their employment effect, and the consequences of their execution on the various aspects of the national economy.

In the Northern Region, committees, similar to those in the Southern Region were formed. They had the same objectives, and followed the same path with some differences in details owing to the nature of conditions in each region.

When preliminary results of the first stage of analysis within these committees were complete, they were submitted to the President who discussed them with the state ministers in consecutive meetings of the «Higher Council for Planning». During these meetings, the main target of development was decided upon; namely **«to double the national income over ten years in both Regions.»**

The President issued an order requiring the ministers, each in his own field, to study the projects (both in the private and public sectors), and to submit to the National Planning Commission, their proposed programmes for the five years from 1960—1965.

The Planning Commission had already prepared the general frame work of the Plan, and the relevant studies which would enable it to produce a detailed plan immediately after the Higher Council for Planning had decided on the main objective. It had drawn a general survey of the historic development of the economy in the past years and a detailed account of the present state of affairs. This was considered the starting

point for the Plan. From these surveys it was possible to draw a clear picture of our social and economic requirements.

We have completed a survey of our present capacities, predicted our future potentialities, measured the extent of our ability to utilize fully our economic resources and our natural, human, and technical wealth, and set a priority scale for the various development projects.

We started by drawing a long-term plan on an aggregate level to attain a coordinated picture and proper timing. Within this long-term frame-work, a more detailed plan was prepared for the next five years. On this basis, a Plan for the first year has been set up in an even more detailed manner. According to this first year plan, the Government budget was to be prepared.

The Ministerial Committee for Planning was formed in conjunction with the Ministerial Committee for Economic Affairs, to revise the draft frame-work of the Plan. The frame work was prepared by the National Planning Commission, based upon recommendations and programmes proposed by the Ministries and planning considerations which conform with the general policy of the state and its national philosophy.

To secure harmony, integration, and coordination between the plans of the two Regions of the Republic, a joint committee from both Regions was formed to ensure all these factors during the period of preparation and execution of the Plan.

So, you see, that the preparation of the Plan entailed the combined efforts of all government and public departments. Each Ministry undertook to study the development projects and the general pattern of trends in its special sector. The study comprised projects to be executed by the Ministries, by public organizations and by the private sector. A spirit of close cooperation has prevailed all along between the National Planning Commission and the various ministries, public and private organizations. Above all, there existed the common wish to realize the objectives and to prepare the national Plan in the best possible manner and within the time fixed for it.

The function of the Planning Commission was the collection of data, and analytical studies. Every ministry was concerned with the technical and economic aspects of its projects and programmes; ranging from the estimation of costs and expenses, number of labourers required and the quantity to be produced from each project, technical requirements for

such production, to the time schedule and the process of production. These data were provided by the competent ministries who would undertake the execution of the projects when the plan was ratified.

Thus the proposed Plan was not laid out by a few experts, it is rather the fruit of continuous effort and long experience on the part of the technical departments in all the ministries as well as public and private organizations.

These, are the steps achieved since the government decided to start its first national planning period, for the five years 1960 - 1965. As you see, these steps comprised various aspects, long technical preparation, collection of data and statistics, study of projects, preparation of programmes and proposals, committee meetings and conferences, issuing of directives by the Higher Council of Planning ... and so forth

## THE PLAN BETWEEN THE GOVERNMENT & THE PEOPLE

Fellow Countrymen,

You are familiar with the efforts of the Revolution government to abolish feudalism and throw out the colonizer who occupied our land for about three quarters of a century. You are also familiar with the successful efforts to prevent unfavourable elements from dominating the economic and financial activities of the Republic. Such efforts are clearly illustrated by the Agrarian Reform Law, the projects of the Permanent Council for the Development of National Production, the projects of the Permanent Council for Public Services, the establishment of the Economic Development Organization, the nationalization of the Suez Canal, the execution of the High Aswan Dam (Sadd-El-Aali), the determined effort to implement the industrialization programmes, the introduction of drinking water in all the villages, the rural reforms through social guidance centres and collective units, the dissemination of primary education, the enforcement of the law of compulsory education in most parts of the country, and other numerous projects which the Revolution has carried out during the past years, with a vigour never adopted by any of the previous regimes which ruled the country during decades.

Why then has so much change and progress occured ? Why does the wheel of economic and social projects turn now with greater force than

ever before, while in the past it scarcely moved except for private interest ?

The reason, is that the Revolution government puts the people's welfare as its prime objective. It emanates from the people, works for them and shares with them all responsibilities

It is a government from the people, not imposed on them by a foreign colonist. Nor did it come about due to foreign influence. It works for the people alone, relying upon them and supported by them. It shares the responsibility with the people. The living symbol for this is the formation of the National Union with its network of organizations, branches, and institutions, and the holding of this First General Conference which includes both Regions of the Republic represented by you.

So, if the interests of the people and the government are one, if the people are desirous of progress and promotion, firm in their self-esteem, dignity and Arabism, resisting colonization, exploitation, feudalism and monopoly, calling for peace and peaceful co-existence between nations, if our people do all this, then their own government is bound to work for the people's interests by exerting every effort and taking the resolutions conducive to the people's welfare and prosperity.

The overall national Plan which I present to you, in this conference is an expression of the measures taken by the government to realize economic progress and social evolution within the frame-work of a national philosophy. It is an endeavour to maintain the Democratic Socialist Co-operative Society we are striving to achieve.

The national Plan organizes both public and private efforts, and defines the road towards an increase in wealth and production. It sets before us all, government and people, fixed objectives in every field of work in such a way that the efforts shall be coordinated to increase the chances for success and minimize probabilities of friction and waste.

The Plan, gives a picture of the future we aim at. It does not portray it in words, but in actual projects, figures, and objectives. Each one of us will thus know his position in the gigantic frame-work, and will demand more than just resonant speeches, ringing enthusiasm and hollow words reminiscent of the old speeches from the Throne, so full of the promises of partisan politicians of the past regimes.

The overall national Plan represents all the pattern of local develop-

ments, its aims, and the necessary means for the economic and social re-construction that will ensure the doubling of the national income within the next ten years for both Regions of the Republic. This doubling is to be repeated again and again, during the coming years. Doubling the national income means an increase in production and an abundance of services sufficient to raise the standard of living for all citizens. Thanks to the socialist cooperative policy pursued by our society, we shall undoubtedly achieve a proper distribution of the ever-increasing national income among the citizens. This will raise the standard of living of the masses to a much higher level.

You shall see that the overall national Plan concerns every one of you, every village or town in the Republic and every factory and project, whether under construction or in blue-print. It includes a manifestation of our objectives, viz increased production in the fields of agriculture, industry, construction, trade, and commerce. The increase in production will ultimately reach the hands of the people through greater purchasing power created by higher employment and raising the levels of wages and profits.

The Plan is for the people whom you represent and without your support it will not succeed. It is the means of conferring added strength to the economic structure of the state and soundness to the social existence not only for ourselves, but also for the coming generations.

This was done by all nations who had lagged behind the progress of civilization and who wished to quicken the pace of development and progress, so as to overtake other nations and maintain their position in the world and their national entity. The Western Countries after the ravages of World War II, were obliged to follow an overall planning policy to reconstruct what was destroyed and to regain their industrial and economic capacities. Furthermore, these countries have now established among themselves economic unions on a large scale with the object of strengthening their bargaining powers even further, as is apparent from the agreements of the European Common Market, the Free Trade Area and others. To them such unions are permissible. But when we speak about Arab Unity and the necessity of economic integration and development, or cooperation between Arab States particularly, and between the Afro-Asian States in general, we hear cries of disapproval and opposition from the forces of colonialism and exploitation who do not wish us to achieve any progress or success.

We are determined to take further steps towards economic and social development in cooperation with sister Arab States and the friendly states of Africa, Asia, and other continents of the world. We shall ignore the shouts of imperialists and the warning of exploiters who for long have sucked our blood, undermined our unity and exploited our resources.

The overall national Plan, is this determination personified and these intentions detailed... It is a promise and an obligation, a pact and an agreement.

It is worth mentioning in this respect, that the National Union today, is the backbone of planning. For the execution of the Plan cannot depend on governmental efforts alone, but people must share in it effectively in every village, every town, and every project. They must share in the execution, in the control, in following up and in putting forward remarks and proposals.

You are the planners, and the executors and you shall reap the fruits of your efforts.

All the steps which were taken to establish the National Union and spread its activities are considered, in themselves, necessary measures for the success of the first Five-Year Plan and all successive plans.

## ELEMENTS OF THE PLAN

I hope I have succeeded in presenting to you the method of planning, its aims and its means, and showing that the Plan shall deal with every aspect of our life, production, income, consumption, savings, investment, employment, foreign trade, government budget, private sector and public sector, with all that pertains to agriculture, industry and services together with their many branches and subdivisions. I hope I was successful in demonstrating that each of us in pursuing his daily life, whether producer or consumer, serious or jesting, spendthrift or thrifty, is in fact connected with the Plan and its targets.

I now wish to present a summary of the major elements of the Plan as an introduction before giving the details. Here are the main elements of the plan :

1 — National production, is the central kernel of the Plan determining its elements and the extent of its achievements. The Plan is based

on the analysis of the national production into commodities and services, the costs of this production, its marketing at home, and abroad.

2 — Income, which is the surplus to the society from production after substracting its requirements, and the degree of availability of these requirements.

3 — Consumption, which is what the society consumes out of its income, its trend during the Plan, and its pattern which helps in realizing the objective.

4 — Saving, which is what is left of the income after substracting what is spent on consumption.

5 — Investment, which is the utilization of savings in the development projects.

6 — Employment, which occupies a prominent position among the objectives of the Plan, beside the productivity of labour and the means of promoting it for the realization of development.

Fellow Countrymen,

The President has declared that the objective of the Plan is to double national income in ten years (divided into two stages). This was based upon comprehensive studies in the technical committees at various levels.

The frame-work of the first Five-Year Plan has been accomplished for the two Regions of the Republic. Total investment requirements amount to about L.E. 2004 million, L.E. 307 million for the Northern Region, and L.E. 1687 million for the Southern Region.

These investments are distributed in each of the two Regions, among the various sectors (in both private and public fields) of economy, that is, irrigation and agriculture, industry, transport and communications, storage, housing, public utilities and services. We took into consideration the prevailing conditions of each region and were guided by the main planning principle, that of distributing investments among the sectors in such a manner as to produce the highest possible yield. We also had in mind the main problems of the two regions, especially that of agricultural production in the Northern Region which is at the mercy of changing weather conditions thus threatening the region's economic stability, as

well as the land problem in the Southern Region aggravated by the rapid increase in population.

It is estimated that total investments by the fifth year of the Plan, will contribute an increment in the national income amounting, to about L.E. 620 million; L.E. 107 million for the Northern Region, and L.E. 513 million for the Southern Region. If we compare this increase in income with the initial income of the base year, i.e. in 1959, the rate of growth will be 40% in the Republic and in each of the two Regions.

We are confident that this rate of growth during the first five years shall ensure the doubling of the national income in the next ten years in both Regions. Details of the effect of these investments in both Regions upon production, consumption, employment, and the balance of payments, has been calculated. Moreover, a joint committee was formed to guarantee the continuous coordination and harmony between the components of the Plan in the two Regions as has been previously mentioned.

We now turn to the details of the Plan of the Southern Region, leaving El-Sayed Nour-El-Din Kahhala, head of the Executive Council and acting Executive Minister of Planning for the Northern Region to speak to you about the details of the Plan in that Region.

## THE DETAILED FRAME-WORK OF THE FIVE-YEAR PLAN IN THE SOUTHERN REGION

Brethren,

We have declared that the main elements of the Plan revolve around the trends, the inter-relationship and equilibrium of investment, production, income, consumption, savings and employment, within the period set out for the Plan.

We shall now speak about these elements in the Plan with regards to the Southern Region.

**Investment :**

Every society striving for development, has to direct a part of its income away from expenditure on consumers' goods and services, such as food, clothing, housing, and others, and to investment channels. New

investments produce, in their turn, new incomes and enable the society to increase both consumption and savings. Whenever the society's propensity to save is increased, it will be capable of enhancing development measures and accordingly of raising the standard of living and prosperity.

Total investments required for the planned projects in the Southern Region in the next five years, are estimated at L.E. 1687 million, an annual average of about L.E. 338 million. Calculations made according to investigations in the past and predictions for the future, demonstrated that it is possible to raise these investments from local sources with the aid of not more than 30% of foreign credit facilities and loans, not subject to any political conditions, from friendly countries. Obligations attached to these loans were considered when evaluating sources of financing present and future plans.

You know that the principle of economic aid to developing countries has become an accepted principle in international politics. However, we hope that by following up the planning of our economy, local funds will become sufficient.

The distribution of these investments between the sectors of economy is not made in an arbitrary fashion. Such distribution was based on the idea of achieving our objective without creating shortages while maintaining the general equilibrium. All these sectors whether producing or consuming are inter-related, and in order to secure equilibrium and natural flow, supply should be equal to demand.

Total investments have been distributed among the main sectors in the following manner :

| Sector | Investment Allocations million L.E. | Percentage to Total Investments |
|---|---|---|
| Agriculture, irrigation, drainage & High Dam (Sadd-El-Aali) | 392.0 | 23.1% |
| Electricity and Industry | 578.7 | 34.1% |
| Transport, Communications and Storage (Including Suez Canal) | 271.8 | 16.1% |
| Housing | 174.6 | 10.3% |
| Public Utilities | 48.8 | 2.9% |
| Services | 111.0 | 6.5% |
| Change in Inventory | 120.0 | 7.0% |
| | 1696.9 | 100% |

From this table, it is clear that the electricity and industry sector has been alloted investments exceeding one third of the total allocations for the Plan. The sector of agriculture, irrigation, drainage and High Dam (Sadd-El-Aali) comes second, with 23.1% of the total investments.

**Production :**

It is estimated that production at the end of the Plan, will reach a value of L.E. 3601 million — against L.E. 2525 million in 1959, an increase of L.E. 1076 million, or of 42.6%.

The following table illustrates the contribution of each sector to the increased production. In this table the sectors have been divided into commodity and non-commodity sectors.

| Sector | Total Value of Production 1959/60 (Million L.E.) | Total Value of Production 1964/65 (Million L.E.) | Increase in Total Value of Production (Million L.E.) | Percentage of Increase |
|---|---|---|---|---|
| Agriculture, Irrigation, Drainage & Sadd-El-Aali | 574 | 736 | 162 | 28.2 |
| Electricity and Industry | 1094 | 1814 | 720 | 65.8 |
| Construction | 115 | 122 | 7 | 6.1 |
| Total of Commodity Sectors | 1783 | 2672 | 889 | 49.9 |
| Transport & Communications | 135 | 164 | 29 | 21.5 |
| Housing | 76 | 88 | 12 | 15.8 |
| Public Utilities | 11 | 14 | 3 | 27.8 |
| Trade & Finance | 163 | 208 | 45 | 27.6 |
| Educational Services | 61 | 79 | 18 | 29.5 |
| Health Services | 21 | 29 | 8 | 38.1 |
| Social and Religious Services | 7 | 11 | 4 | 57.1 |
| Security, Justice and Defence | 91 | 110 | 19 | 20.9 |
| Cultural and Entertainment Services | 21 | 29 | 8 | 37.1 |
| Government Organizational Services | 45 | 62 | 17 | 37.8 |
| Personal Services | 111 | 135 | 24 | 21.6 |
| Total of Services Sector | 742 | 929 | 187 | 25.2 |
| Grand Total | 2525 | 3601 | 1076 | 42.6 |

This table indicates that the total value of production in the commodity sectors of agriculture, electricity, industry, and construction, will be increased from L.E. 1783 million at the beginning of the Plan to L.E. 2672 million at the end of the Plan, with an increase of L.E. 889 million, that is to say 49.9%. This increase is equivalent to 82% of the total increase in production for the whole Plan.

Total value of production in the services sectors is expected to increase from L.E. 742 million at the beginning of the Plan to L.E. 929 million in 1965, an increase of L.E. 187 million or 25.2% over the base year. This is equivalent to 18% of the total planned production. It is

only logical that greater attention should be paid to commodity sectors in the first Five-Year Plan.

It is noted that the sector of electricity and industry is expected to contribute a sizable share in the increase in production, by about L.E. 720 million or nearly 67% of the planned increase during the whole period of the Plan.

**Income :**

Income is the final outcome of production. It is measured by the difference between the cost of production and its total value. It is the return on capital (interest), wages, profits and rents.

The higher the income-creating capacity of the planned projects, the more will the society be able to consume and invest, thus multiplying incomes in the process.

National income at present is estimated at L.E. 1282 million. It is expected to rise to L.E. 1795 million at the end of the Plan, an increase of L.E. 513 million. Of this increase, L.E. 112 million comes from agriculture, L.E. 267 million from electricity and industry, and L.E. 134 million from other sectors. In other words, more than half of the additional income, is expected to come from the sector of electricity and industry in the next five years. This is a clear demonstration of the favourable effect of industrialization on the size of national income.

I wish to point out that though 23% of planned investments shall be devoted to the agriculture sector (including the High Dam), it will be responsible for only 22% of the total increase in income. This is due to the fact that the benefits of the High Dam and the conversion of basin irrigation will only appear in the second Five-Year Plan.

Moreover newly reclaimed lands will not become fully productive until after the first five years of the Plan.

I would like to emphasize that the Revolution government, backed by the people, is trying to build the future on sound foundations, without expecting any superficial or quick results, as party governments used to

The following table shows the increase of income in each sector and its percentage to the total increase :

| Sector | Total Income 1959/60 (Million L.E.) | Total Income 1964/65 (Million L.E.) | Increase (Million L.E.) | Increase Percentage |
|---|---|---|---|---|
| Agriculture, Irrigation, Drainage and High Dam | 400 | 512 | 112 | 28.0 |
| Electricity and Industry | 273 | 540 | 267 | 97.8 |
| Construction | 52 | 51 | 1 | 1.9 |
| Total Commodity Sectors | 725 | 1103 | 378 | 52.1 |
| Transport & Communications Service | 97 | 117 | 20 | 20.6 |
| Housing Services | 73 | 84 | 11 | 15.1 |
| Public Utilities Services | 7 | 9 | 2 | 28.6 |
| Trade and Finance Services | 127 | 162 | 35 | 27.6 |
| Educational Services | 52 | 67 | 15 | 28.8 |
| Health Services | 11 | 15 | 4 | 36.4 |
| Social and Religious Services | 4 | 6 | 2 | 50.0 |
| Security, Justice and Defence Services | 51 | 61 | 10 | 19.6 |
| Cultural and Entertainment Services | 13 | 18 | 5 | 38.5 |
| Government Organizational Services | 33 | 45 | 12 | 36.4 |
| Personal Services | 89 | 108 | 19 | 23.6 |
| Total of Services Sectors | 557 | 692 | 135 | 24.2 |
| GRAND TOTAL | 1282 | 1795 | 513 | 40 |

It can be seen from this table that the total value of income from the commodity sectors will increase from L.E. 725 million at the beginning of the Plan to L.E. 1103 million, an increase of L.E. 378 million or 52.1%. This increase amounts to 74% of the total increase of income in the whole Plan.

Total income in the services sectors is expected to rise during the period of the Plan from L.E. 557 million to L.E. 692 million, an increase of L.E. 135 million, that is 24.2%. This increase is equivalent to about 26% of the total increase in income during the whole Plan.

This is a natural result, if we consider that the first Five-Year Plan should pay greater attention to the commodity sector.

**Consumption :**

When we say that development requires the imposition of certain restrictions on consumption, we do not mean that we should compress the consumption of individuals to such an extent as to lower their standard of living. I wish to state the opposite and to emphasize it. Every development plan should have among its targets the objective of raising the ability of the individual to consume and to enjoy life. If, when we talk about planning we speak of restricting consumption, this is meant to mobilize production in order to allow consumption to increase in the future. A development plan is always generous and moderate. It speaks about augmenting incomes, and modestly asks that the whole of this part should not be spent on consumption, rather that it should be directed towards both consumption and investment. This will help it to attain its objective, and at the same time, allow a greater increase in the individual's prosperity.

The Plan which I now present to you, has maintained these principles. Part of the increase in income which it will realize, from L.E. 1282 million to L.E. 1795 million will be directed towards investment to help the continuous process of development while the other part shall be devoted to consumption. This is evident from the fact that the volume of consumption will increase from L.E. 878 million to L.E. 1088 million, an increase of L.E. 210 million, or 24%. The Plan, therefore, ensures perpetuity in the increase of income, and at the same time a continuous increase in consumption.

Such increase in consumption goes in fact hand in hand with the increase in income itself.

The planner is only keen to keep the rate of increase in income higher than the rate of consumption during the execution of the plan, so that he can secure from the difference a continuous flow of funds for investments required in economic development.

In estimating the total increase in consumption in this fashion, the Plan did not neglect its distribution among various consumers goods. This was achieved by studying family budgets and the flexibility of demand on these commodities. The balance between demand and supply would be struck through increasing local production and making available imported consumers goods.

You may be interested — as consumers — to know that the Plan envisages an increase in some important consumption items. For example let me tell you that :

It is estimated that consumption of flour, wheat and maize, will rise from L.E. 86.1 million at the beginning of the Plan to L.E. 104.2 million.

| | |
|---|---|
| Fresh meat, | from L.E. 59.5 million to L.E. 72.8 million |
| Bread | from L.E. 57 million to L.E. 64.9 million |
| Cotton textiles | from L.E. 49.7 million to L.E. 56.7 million |
| Vegetables | from L.E. 38.6 million to L.E. 47.7 million |
| Sugar | from L.E. 25.3 million to L.E. 30.8 million |
| Clothes | from L.E. 22.2 million to L.E. 38.2 million |
| Animal Products | from L.E. 21.4 million to L.E. 25.3 million |
| Pharmaceutical Products | from L.E. 12.0 million to L.E. 14.5 million |

and so on.

**Employment :**

The population of the Southern Region is now estimated at about 25.4 million persons. These may be divided into two groups. The first group includes all those who are able to work, and can be effectively employed in the economic activity of the state. This is the «Man Power». The second group includes the rest of the population, who are unable to work, such as the disabled, children below 6 years of age, and the old who exceed 65 years.

If we substract from the « Man Power » those who are able to work, but who do not actually work, such as students and others, we get the labour force. If again we substract the armed forces, we get the « Civil Labour Force.» This is estimated at about 7.5 million (employers and employees) in the Southern Region.

Owing to the fact that the population is expected to reach 29.4 million persons at the end of the Plan, the Civil Labour Force will be about 8.4 million persons, with an increase of about 900 thousand persons.

The increase in employment channels as a result of the planned project is expected to secure employment for these 900 thousand persons.

If we compare the number of the employed at the end of the Plan with their number at its beginning, it will be seen that the number of those employed in industry will increase by 39%, in agriculture by 16% and in the services sectors by 15%. The increase in the total employment in all sectors will be 18%.

Total wages and salaries at the end of the Plan will be increased by 7.9% in the industry sector, by 27% in the agriculture sector and 26% in the services sectors. Total increase in wages and salaries in all sectors will be 33%.

It could be noted that the percentage increase in the number employed at the end of the Plan (18%), is considerably lower than the percentage increase in wages and salaries (33%). This is a clear evidence that the Plan, beside realizing the employment target, will also fulfill its social objective : an increase in wage earners incomes and a rise in wage rates. The realization of this target will be more evident when the various service projects are carried out according to plan, rendering their services at nominal fees or free to wage-earners and people of small incomes. This will increase real wages and the workers' ability to satisfy their various needs.

The number of owners and self employed people will increase at the end of the Plan by 18% in agriculture, 11% both in the industry and services sectors. The increase is noticeably higher in agriculture due to the impending distribution of the rest of the confiscated lands according to the Agrarian Reform Law, and the lands to be reclaimed during the Plan. This is further confirmed by the increase of the returns on ownership rights, as indicated by the Plan's estimates of rents, profits, and interest. By the end of the Plan the increase will be about 45%.

This is a reflection of the planned conversion of wage-earners into owners, in conformity with the socialist ideology adopted by the country.

Before ending my talk on employment, I have to emphasise an important point, labour as an effective element in the success of the Plan. A worker keen on increasing his productive efficiency in quantity and quality, will help to increase total production. This has proved an important contribution in countries recently aquainted with planning, where capital is the scarce factor. Moreover, the increase in workers efficiency will help to raise the standards of wages as a result of the increase in profits. For this reason, the Plan has allocated L.E. 5.5 million for voca-

tional training and the increase in productivity during the Plan, over and above expenditure on technical education.

**Balance of Foreign Trade :**

**Brethren,**

Our talk on the frame-work of the Plan in the Southern Region can be very long. The Plan as you have seen, touches on all aspects of life. Nevertheless, I feel I must, before concluding my speech, discuss the balance of foreign trade, which will be certainly affected by the implementation of the Plan.

The Plan's estimates show that in 1959/60 the value of our exports was L.E. 167.5 million, while our imports were about L.E. 229 million, that is to say, there is a deficit of L.E. 62 million in our balance of trade. At the end of the Five-Year Plan, however, our exports are expected to increase to L.E. 214 million and our imports to decrease to L.E. 226 million with a deficit of only L.E. 12 million, some L.E. 50 million less than the pre-plan year.

Looking at the major components of the balance of trade and their trends during the Plan, it will be seen that our imports of consumers' goods will decrease from L.E. 33.4 million at the pre-plan year to L.E. 29.5 million at the end of the Plan. Imports of intermediate consumption goods (production requirements), will fall from L.E. 118.5 million to L.E. 92.7 million due to the increase in agricultural and industrial production during the period covered by the Plan.

Imports of capital goods will increase from L.E. 77.3 million at the beginning of the Plan to L.E. 92.7 million at its end. This is due to our need for such machinery and equipment for the execution of the planned projects.

The balance of foreign trade, however, is not the only balance to be taken into consideration. There are many other balances whose soundness should be tested to guarantee the economic integration and co-ordination during the execution of the Plan. Thus no confusion would occur in production, consumption or prices which would possibly hinder the planned targets or delay their results.

The most important of these balances are :

1 — The Balance of technical production requirements, such as raw materials, fuel etc.

The Plan aims at raising production from a value of L.E. 2525 million to L.E. 3601 million. It is, therefore, necessary to provide the materials required for this increase in production. According to calculations the value of these requirements will increase from L.E. 1243 million to L.E. 1806 million.

2 — The Balance of Employment, by which we mean the provision of skilled workers, technicians and administrators necessary to achieve the objectives of production. The Plan comprises the necessary investments to secure these in the different production sectors.

3 — The Balance of Investments, by which we mean the balancing of our local saving sources, plus available credit facilities and foreign loans, against the capital requirements of the planned investments.

4 — Balancing available goods and services (local production plus imports of each commodity), against total expected utilisations for the same year.

5 — Balancing total incomes of the household sector, with their total expenditures and savings.

6 — Balancing the government budget. The Planning Commission was greatly interested in making it correspond with the frame-work of the Five-Year Plan, so that it may be executed.

This was a summary of the frame-work of the Economic and Social Development Plan for the Southern Region. I shall proceed to speak about the different sectors to show the planned evolution in each sector, its place in the Plan, and the degree of its importance as a means of achieving the general objectives.

## FRAME-WORK OF THE FIVE-YEAR PLAN FOR THE SOUTHERN REGION

**(1st July, 1960 — End June, 1965)**

| Sector | Investment (Million L.E.) | Increase in Production (Million L.E.) | Increase in Income (Million L.E.) | Increase in Employment (000) Persons |
|---|---|---|---|---|
| Agriculture, Irrigation, Drainage and High Dam | 392 | 162 | 112 | 555 |
| Electricity, Industry & Construction | 578.7 | 727 | 266 | 204 |
| Transport, Communications and Suez Canal | 271.8 | 29 | 20 | 7 |
| Housing and Utilities | 223.4 | 15 | 13 | 9 |
| Services | 111 | 143 | 102 | 251 |
| Increase in Inventory | 120 | — | — | — |
| TOTAL | 1696.9 | 1076 | 513 | 1026 |

## IRRIGATION AND AGRICULTURE

The sweeping wave of industrialization should not make us forget our agricultural land and the waters of the Nile. When we start detailing the Plan we must pay tribute to that sector which has provided life and prosperity to our fathers and grandfathers throughout the years. It is only an acknowledgement of the role it has played which has been and will always be fundamental in supporting our economy and contributing towards its strength, production and development, and an acknowledgement of the role of our industrious and laborious farmer who took upon himself persistently and unselfishly to use both land and water, and combine them to produce wealth and prosperity.

Industry cannot survive without agricultural supplies of raw material and foodstuffs, and other consumers materials, demand for which will increase still further as we proceed along the path of industrialization. I shall now give a brief survey of irrigation and agriculture, what they were, what they are now and what they will be.

Brethren,

In 1879 the cultivated area was 5,048,000 feddans. It was increased to 5,680,000 feddans at an annual rate of increase of about 10,000 feddans. Crop areas on the other hand increased from 6,660,000 feddans to 9,300,000 feddans at an annual rate of increase of 50,000 feddans.

This increase is attributed to the construction of the Aswan Dam in 1902, its 1st and 2nd heightenings in 1912 and 1933 respectively, the construction of Gabal-El-Awliya Dam in 1938 as well as the construction of distribution canals. The combined effect of these projects helped in securing irrigation water and controlling the distribution throughout the agricultural year. This was the pattern of horizontal expansion, i.e., the increase in area. Regarding vertical expansion, by which we mean the increase of land productivity, it was noticed that productivity had reached its maximum before the Second World War. It began to decline gradually after the war until 1952.

Since then the Revolution government, appreciating the importance of agriculture and irrigation as the mainstay of the population, devoted a great deal of attention both to the horizontal expansion, i.e., the increase of the cultivated area and the vertical expansion, i.e., the increase of land productivity and the increase in the number of land owners as well as agricultural income.

In the field of horizontal expansion many studies were carried out in the Production Council and the Ministries of Public Works, Agriculture, and Agrarian Reform and several other organizations. As a result of these studies, 180,000 feddans were reclaimed since the Revolution in 1952. Thus the cultivated area increased to 5,860,000 feddans in 1959.

The crop area was increased by about one million feddans, (from 9,300,000 to 10,300,000). It is clear that the rate of increase in both areas is more than double that prevailing before the Revolution.

The Revolution Government was not satisfied, however, with the limited possibility offered by horizontal expansion. Progress on that line

is seriously hampered by the availability of irrigation water. It was necessary, therefore, to look to the increase in land productivity. In the meantime we completed the technical studies of the large storage projects, badly needed.

The Ministry of Agriculture prepared the factors of higher production; by selecting new types of seeds and pedigree animals, protecting plants and animals against pests and diseases, the dissemination of new cultivation methods as well as the plant rotation system, so that the land may give maximum yield.

All these efforts directed towards vertical expansion led to an increase in the yield per acre of field crops since the Revolution in the following manner :

Cotton, from 4.66 to 5.33 kantars, marking an increase of 14%.

Wheat, from 5.18 to 6.52 ardebs, marking an increase of 26%.

Barley, from 7.19 to 8.38 ardebs, marking an increase of 17%.

Rice, from 1.46 to 2.23 daribas, marking an increase of 53%.

Maize, from 8.62 to 9.23 ardebs, marking an increase of 12%.

Sugar cane, from 785 to 840 kantars, marking an increase of 7%.

Area allotted to vegetable production increased from 266 thousand feddans to 477 thousand feddans raising total production from 1.7 million tons to 3.2 million tons. Orchards area increased from about 94 thousand feddans in 1952 to 126 thousand feddans in 1959 raising total production from 890 thousand tons to 930 thousand tons.

This was accompanied by an increase in our animal and fish wealth. As a result of the increase in agricultural production and its variation, exports of agricultural products increased. It reached a value of L.E. 148 million in 1958, as against L.E. 135 million in 1952, thus making an increase of L.E. 13 million.

In the mean time agricultural imports decreased to L.E. 42 million as against L.E. 59 million in 1952.

The effect of all these efforts in developing the agricultural sector was reflected on the national income from agriculture, which increased from L.E. 252 million in 1952 to L.E. 400 million in 1959, making an increase of L.E. 148 million.

Special mention must also be made of the Agrarian Reform Law which increased the number of land owners and limited land ownership and land rent. It helped to decrease the gap in both income and wealth distribution thus minimizing exploitation and creating a spirit of co-operation in keeping with our Socialist Cooperative ideology.

These are the concrete, material gains which the country has attained in the agricultural sector during the Revolution regime.

The moral profits include the vast technical experience in land reclamation and the administrative experience in the field of organization. This of course will be our main weapon in our movement towards reclaiming desert and potentially cultivable land ensuring greater achievements during the years of planned economic and social development.

These are the past and present trends in the agricultural sector. What about its future, and what is the plan for agriculture and irrigation ?

The importance given to this vital sector is illustrated by the vast allocations made for it in the Plan. These investments amount to L.E. 392 million, some 23.4% of the total planned investments. These are allocated for agricultural expansion both in its horizontal and vertical spheres. The following is the pattern of distribution of these investments among the different branches :

For the High Dam project, L.E. 477 million were allocated as well as L.E. 19 million for indemnities. In addition, L.E. 30 million are allocated for the conversion of basin irrigation to the perennial system.

Due to the fact that the High Dam is not expected to yield its fruits before the end of the second Five-Year Plan. The Ministry of Public Works revised the studies of water resources, and was thus able to secure about two billion cubic metres of water. This was taken into consideration when setting the program for horizontal expansion within the plan.

The investments necessary for this programme amount to L.E. 192.3 million distributed as follows :

L.E. 7.5 million cost of securing water resources.

L.E. 11.4 million for irrigation and drainage projects in new lands.

L.E. 111.3 million cost of reclaiming 585 thousand feddans in the Nile Valley.

L.E. 62.1 million cost of the reclamation of 300 thousand feddans in the New Valley, deserts and the northern coast.

It is apparent, therefore, that during the Plan, total reclaimed lands will amount to 885 thousand feddans; an annual rate of increase of 175 thousand feddans which is about eight times the rate of increase during 1952—1959.

For the vertical expansion projects, the Plan devoted L.E. 122.4 million, distributed as follows :

L.E. 70.5 million for general drainage projets in an area of one million feddans, field drainage projects in an area of half a million feddans, improving the irrigation system and for replacement and renewal projects.

L.E. 30.9 million for the projects of the ministries of Agriculture, Agrarian Reform, agricultural organizations, Coasts Department and others.

L.E. 21.0 million for the projects of mechanization, agricultural gypsum, and other projects of the private sector.

The execution of the High Dam will enable us to reclaim a further one million feddans and to complete the conversion of basin into perennial irrigation of about 700 thousand feddans; moreover it will guarantee water requirements for all the cultivated lands at present as well as the newly reclaimed lands in the near future.

Planned projects in the irrigation and agricultural sector are expected to yield an increase in production of different crops in the following manner :

Cotton about 2.7 million kantars.

Wheat about 1.9 million ardebs.

Maize about 4.6 million ardebs.

Sorghum about 2.3 million ardebs.

Rice about 0.4 million daribas.

Sugar cane about 3.1 million kantars.

In comparing pre-plan with end-of-plan figures it will be noticed that marine wealth will increase by 33%, our production of milk will increase by 58%, our production of meat will increase by 26%. Total value of agricultural production will rise from L.E. 574 million to L.E. 736 million, that is to say an increase of L.E. 162 million. Agricultural income will increase from L.E. 400 million to L.E. 562 million. Last but not least, total number of manpower needed by the agricultural sector at the end of the plan will rise from 3,245,000 persons to 3,800,000 persons, securing employment for about 555 thousand persons. Total agricultural wages will increase from L.E. 135 million at the beginning of the plan to L.E. 171 million at its end, that is to say an increase of about L.E. 36 million.

This Brethren, is the plan for irrigation and agriculture together with its expected results. I am convinced that your cooperation in its execution will augment these prospective fruits making benefits far more abundant and more general.

We turn, now, to the sector of electricity and industry.

## ELECTRICITY & INDUSTRY

### Electricity

No one can deny that electricity is an indispensable source of energy in modern times. Domestic utilisation of this energy results in adding comfort to our homes and to our enjoyment of life. Electricity is considered one of the basic elements for industrial projects. In fact, the economies of many projects depend upon the possibility of securing the electric energy at low rates.

For this reason, the present government gave great attention to this sector, and actually realised a sensible increase in its production in the last few years. Today the production of electricity occupies a prominent position in the Plan, with the expectation of even much higher output by the end of the Plan. Generated power in 1948, was 0.7 billion K.W.H., it reached 2.1 billion K.W.H. in 1959 and is expected to reach 6.4 billion K.W.H. in 1965.

After the construction of the High Dam, the power generated wil increase to 16.5 billion K.W.H. Industry will then find an ample and cheap supply of power, and many villages in our countryside will enjoy electric light, warmth, and other means of comfort.

It is estimated that within the next five years, 4.5 billion K.W.H. of electricity shall be added to the generated power, of which industry will consume 75% while the rest will be allocated to extension works in municipalities. The government will execute 88% of the electricity projects against a share of only 23% in 1948.

The cost of this programme is L.E. 139.5 million of which L.E. 70 million will be allocated to the High Dam power plant. (The total cost of this plant is estimated at L.E. 120 million), and the rest shall be divided among the following projects :

1 — Extending the power stations in South Cairo, Talkha, Damanhour, and Suez. (Total installed power, 350 thousand horse power).

2 — Construction of a unified transmission line to connect power stations in Cairo and the North Delta Scheme.

3 — Construction of distribution networks to supply electric current to many towns and provincial capitals. Eighty seven towns will enjoy electricity for the first time, during the coming Five-Year Plan.

4 — Strengthening the distribution network of the municipal power stations at Sallum, Siwa, Sidi Barrani, Quossair and the Oases.

5 — Completion of the Aswan Dam Hydro-electric project and its full utilisation.

6 — Studying the Quattara Depression Project and the generation of electricity from the Barrages.

To give you an integrated picture, I must explain, that after the completion of the High Dam Hydro-Electric Station, and its connection with Cairo by high tension transmission line of 400 thousand volts, together with the transmission lines of Upper Egypt provinces, we shall be able to establish a group of industries depending on electric energy, which will be a source of wealth to our country :

600 thousand tons of Fertilizers.

370 » » » Cast Iron.

30 » » » Aluminium.

60 thousand tons of Caustic Soda.

65 » » » Super phosphate.

20 » » » Graphite.

These, and others projects urged the Government to form in 1959 an Electricty Committee for the Republic which shall lay out a general plan for electrification: to spread power all over the Republic, to put specifications for the projects, to study electricity tarrifs, the distribution systems and the organization for collection, classification and analysis of statistical data.

Following is a summing up of the most important data on that sector in the next five years.

| Items | 1959/1960 | 1964/1965 |
|---|---|---|
| Production | L.E. 18.3 Million | L.E. 35.1 Million |
| Income | L.E. 11.9 » | L.E. 23.6 » |
| Wages and Salaries | L.E. 2.9 » | L.E. 4.2 » |
| Number of Workers | 8.9 Thousand | 11.0 Thousand |

## O I L

Oil was discovered in Egypt in 1868. Its exploitation started in 1909. Demand for petroleum was then limited. The wide use of internal combustion engines for various purposes, led to the increase in oil production here as well as in the rest of the world. After the discovery of the oil fields at Hurgada, and Ghareb the production increased till it exceeded one million tons in 1937.

Until that time, coal was imported in large quantities, it was used for various purposes. This dependence on coal was gradually shifted to oil during and after the Second World War. New oil fields were discovered after that, in Sudr, Assal, Feran, Balaeim, and lately in Abou Rudeis and Ras Bakr. Production increased gradually till it reached 2.4 million tons in 1952.

Although foreign experts in oil companies, continued to write reports warning that the oil wells will quickly run dry, and that local production is diminishing, yet what actually happened was that the Arab administration of the oilfields was able to increase production of crude oil to 3.4 million tons in 1959. It is expected that crude oil production will increase to more than 8 million tons in the last year of the Plan, especially after the explorations in the Western Desert have demonstrated the probability of finding oil there. Drilling and prospection works are pursued to determine the economic value of oil in that field.

Due to the fact that oil is still the major element in Egypt's mineral wealth, and that it has remained for a long time under foreign domination in most stages of its production and processing, the Revolution government has established the General Organization for Petroleum in 1956, to supervise all matters related to oil, crude or refined, local or imported, with the aim of shifting the control from foreign to local interests. The Suez refinery was extended, and is now undergoing a second extension, so that its capacity will reach 2.2 million tons in 1962. The Alexandria refinery has been already constructed and it will be extended during the period of the Plan so that its capacity will rise to 1.2 million tons.

The annual capacity of the existing refineries in the Southern Region is about 3.5 million tons of crude oil, this capacity is expected to increase to 6.5 million tons during the years of the plan.

Oil products will increase from 3.3 million tons to 6.5 million tons in 1965, an increase of nearly 100%. The value of oil products by the end of the Plan shall amount to L.E. 99 million against L.E. 42 million in 1959 (at constant prices).

The expected development in the production of various petroleum derivatives is as follows :

| | Thousand Tons | |
|---|---|---|
| | 1959 | 1965 |
| Petroleum | 341 | 657 |
| Kerosene | 291 | 797 |
| Solar | 200 | 232 |
| Diesel Oil | 150 | 461 |
| Mazout | 2058 | 3848 |
| Asphalt | 129 | 280 |
| Butagaz | 16 | 66 |
| Mineral Oils and fats | — | 66 |
| Other Products | 88 | 132 |
| Total | 3273 | 6539 |

It gives me great pleasure to announce, that the result of researches and current projects, confirm that, in a very short time, our production of crude petroleum will be sufficient for all our needs. This result is better judged if we know that this will save a large amount in foreign currencies which can be utilized in importing capital goods for other planned projects.

Due to this big evolution in the production of oil, its refining and processing, we shall attain an additional increase in the national income in the next five years, amounting to about L.E. 56 million.

Employment channels will be open to about 7,300 labourers who shall receive L.E. 5.5 million, in wages.

These are the results of the investments allocated in the Plan for the oil sector, which amount to about L.E. 82 million, of which L.E. 16 million, will be alloted to the drilling and exploration operations and the necessary apparatus and equipment, while the remaining L.E. 66 million shall be devoted to processing and refining projects.

## MINES & QUARRIES

The products of mines and quarries are considered one of the most important natural resources on which nations depend for the development of their economy. This contribution secures the necessary requirements of the iron and steel, fertilizers, cement, and construction industries. They also contribute towards increasing the countries' supply of foreign currencies through exports. Moreover, they do not need foreign currency for their processing. They are also of the labour intensive type of industries, providing more possibilities of employment which is one of the objectives of the Plan.

Despite these advantages, the extraction of metals and quarry products in our country, was characterized by slow development. This is due, particularly to the fact that capitalists considered the investment of money in these projects, a kind of adventure.

When the Revolution came, and all these advantages were recognized, the government hastened to issue Law No. 86/1959, in accordance with the recommendations of the Permanent Council for the Development of National Production. This has encouraged establishments and individuals to take the risk of investing their efforts and money in discovering and exploiting mineral resources. The increase in the value of the output from mines and quarries from L.E. 3.5 million in 1952 to L.E. 8 million in 1959, is the best indication of the consequences of this Law and the effect of other encouraging steps taken by the government in this vital field.

In conformity with this policy, L.E. 29 million were alloted to this sector. It is expected that this will result in increasing production of mines and quarries to L.E. 29.5 million in 1965.

It is also expected that there will be an increase in national income amounting to about L.E. 15 million and an increase in employment estimated at 17 thousand labourers, (over 1959 levels).

The most important products of this sector are : pig iron, crude manganese, phosphate, zinc, lead, gold, sand, stones, bazalt, lime stone, marble, granite, and various other products, such as black sand which contains radioactive materials such as thorium and uranium components

Experts estimate that coal production will start in 1965 at a value of L.E. 3 million.

## TRANSFORMATION INDUSTRIES

This country has remained long with agriculture as its basic source of income. The economic social and political institutions were oriented towards that direction. The concentration of property in the hands of a limited class affected the form of government, which determined the State activities and directed them towards those projects bearing on an agrarian economy, rather than an industrial economy. Colonization, on its part, encouraged such a trend, so as to guarantee for its manufacturers the acquirement of agricultural products and raw materials at favourable prices, and to secure a market for their industrial products. These factors helped keep the country weak and subject to foreign domination.

It was therefore necessary that the country would turn over to industry to develop the national economy and promote the standard of living. Real interest in industry and its protection started only in 1930. The modification of the customs system in that year had a marked effect on the progress of some industries. But many of these industries, after continued progress during the Second World War, could not face foreign competition after the War and the return to normal conditions. This was aggravated by the fact that most of these industries were established without thorough preparations and technical studies. Consequently, the contribution of extraction and transformation industries to the national income did not exceed 10% in 1952, revealing the fundamental weakness of industrial activity.

After the advent of the Revolution on the 23rd July, 1952, the position was changed. The government was determined to accelerate the pace of industrialization and develop production.

It therefore decided to give industry all the attention and encouragement it needed. The first step in this respect was the establishment of the Permanent Council for the Development of National Production. In the field of industry the Council had to study the economic projects necessary for the development of industrial production. Furthermore, the government issued laws and extended all possible facilities to remove every possible obstacle and difficulty hindering the progress of industry. Quick and effective steps were taken to execute the principal projects. It shared in the capitals of major projects and provided the loans necessary for financing the expansion in industry through the Industrial Bank. The government found that in order to organize efforts in the field of industry, it should establish a body which would be entrusted with

carrying out this heavy task. Thus a new Ministry for industry was established in 1956, to take care of all matters connected with industrialization. This Ministry has now numerous specialized organizations working in conjunction with it.

The extent of progress and evolution in the transformation industries since 1952 is quite apparent. If we compare the production of these industries in 1952 and 1959, we can see that production has increased from L.E. 680 million to over L.E. 904 million respectively, with an increase of L.E. 224 million.

It is estimated that the planned projects for the coming five years will raise the production of the transformation industries (including petroleum industries), to L.E. 1513 million, with an increase of L.E. 609 million, i.e. 67.4%. This will result in an increase of L.E. 211 million, in the national income, i.e. 88.6%.

The Five-Year Plan includes more than 370 projects in the field of the transformation industries. Total cost of these projects is L.E. 401 million, of which L.E. 19 million have already been spent, thus the net required new investments during the coming five years amount to about L.E. 382 million. These projects will create new jobs for 195 thousand workers. They include the following activities :

Food, beverages and tobacco industries.

Chemical, pharmaceutical and construction industries.

Petroleum refining industry.

Spinning and weaving industries.

Basic metal industries.

Engineering industries.

Following are the details of these projects :

### Foodstuffs, Beverages and Tobacco Industries

When the imports were, more or less, stopped during the Second World War, the opportunity for development in the foodstuffs industries was taken. These industries were then able to satisfy a sizeable percentage of the requirements of the local market as well as the needs of the

Allied forces. The end of the war meant the return of the flow of imported products, and local industries faced a severe competition resulting in many cases in the closing down of many industries.

This situation prevailed till the Revolution, which had among its objectives, the revival of these industries and their support accompanied by the introduction of modern methods of production, the increase of production to satisfy the ever increasing needs of the population, and to provide a surplus for export. The result of the attention lavishly given by the present government was the increase of the value of production to L.E. 486 million in 1959 against L.E. 369 million in 1952. The expansion proceeds with the Five-Year Plan giving these industries great impetus. In this respect, special consideration is given to the correlation between these projects and the development and variety of agricultural production.

The Plan includes about seventy projects for these industries. By the end of the Plan, it is expected that the total value of production in this sector will increase by about L.E. 153 million leading to an increase of about L.E. 23 million in the national income and creating employment for about 29 thousand workers.

### Chemicals, Pharmaceuticals and Building Industries

Chemical industries are considered one of the principal basis of different types of industrial production, as well as agricultural production with regards to fertilizers, pest control and the utilisation of agricultural wastes.

Before the 23rd of July, 1952, these industries were established in a haphazard fashion; they were neither planned nor did they have an exact aim. Most of these industries were composed of small units, except for some phosphate fertilizer plants, soap and cement works which were founded and prospered during the Second World War, as they filled the gap resulting from the stoppage of imports of such products.

Our country used to provide for its requirements of chemicals and chemical products through imports. The average value of imports of such products during the period 1950—1952 was L.E. 33 million of the total of imports whose average value in that same period was about L.E. 238 million.

This urged the Revolution government to develop the chemical industries. By comparing local production of chemicals and building material industries in 1952 with that of 1959, the extent of growth and development in this important branch of industry becomes apparent. The value of products increased from about L.E. 27 million to about L.E. 61 million, with an increase of L.E. 34 million.

With respect to the pharmaceuticals industries, it was alloted an important share of the government's attention following the Revolution. A Permanent Higher Organization for Pharmaceuticals and Medical Requirements was formed at the same time as an Executive Committee for the pharmaceuticals industry. Thanks to the concerted efforts of these organisations, local production of pharmaceuticals increased from less than L.E. 0.7 million, in 1954 to more than L.E. 3 million in 1959, with a rise of about L.E. 2.3 million.

The Five-Year Plan includes about 90 projects for the chemicals, medical and building material industries. Investments necessary for these projects are estimated at L.E. 88.8 million, distributed as follows :

| | |
|---|---|
| Chemicals and Pharmaceuticals Industries | L.E. 66.7 million |
| Paper Industry | L.E. 20.6 » |
| Building Material Industry | L.E. 1.5 » |

It is expected that these investments will lead to an increase in the value of production from L.E. 61.4 million at the beginning of the plan, to L.E. 162.9 million by 1965, an increase of L.E. 101.5 million. Of this increase the share of the chemicals and pharmaceuticals industries will be L.E. 76.5 million, the paper industry L.E. 15.3 million, the rubber industries L.E. 2.8 million, and building materials L.E. 6.9 million.

The increase in national income by the end of the Plan is estimated at L.E. 43 million, distributed as follows :

| | |
|---|---|
| Chemicals and Pharmaceuticals Industries | L.E. 33.4 million |
| Paper | L.E. 5.5 » |
| Rubber | L.E. 1.1 » |
| Building Materials | L.E. 3.0 » |

The increase in employment in this sector at the end of the Plan will cover the number of 34.8 thousand workers, of which 18.4 thousand

workers in the chemicals industries, 9 thousand in the paper industry, 6.8 thousand in the building materials industries, and 600 workers in the rubber industry.

**Spinning and Weaving Industry :**

Spinning and Weaving are considered one of the most important industries in the Southern Region. They consume on the average about one quarter of the Egyptian cotton production. The Revolution government was thus lead to give a hand to these industries, to enable them to attain an increase in production and raise their technical standard so that the industries might be able to face foreign competition.

Here are some of the most important measures taken by the Revolution government to protect and develop these industries.

a — Fixing customs duties on imports of cotton textiles in such a way as to protect the Egyptian market from foreign dumping.

b — Prohibiting the import of commodities for which there is a local substitute.

c — Helping local factories to purchase their requirements at suitable prices in the cotton market.

d — Creating an industrial consciousness supported by the establishment of many training centres to create a new generation of skilled labourers, who will form a nucleus for the development of the industry.

e — Establishing new sections in the Faculties of Engineering for specialization in the spinning and weaving industries.

f — Establishing a support fund for Cotton Spinning and Weaving.

These measures and others taken by the Revolution government have had a marked effect on the progress and prosperity of this industry. The value of its products increased from L.E. 67.5 million in 1952 to L.E. 162.5 million in 1959. This also resulted in the gradual decrease of imports of these products until imports disappeared totally in 1959. In fact the country was able to export large quantities of yarn and cotton textiles.

The development Plan includes 78 projects for this sector, concentrated mainly on the extension of medium and fine grades of yarn production. Replacement, renewal and additions to existing plants are also included.

Total planned investments in the spinning and weaving industries amount to L.E. 48 million. It is estimated that the value of production from this sector at the end of the plan period will be L.E. 252 million as against L.E. 162 million in 1959, an increase of L.E. 90 million. The addition to the national income will be about L.E. 82 million as against L.E. 47 million in 1959, an increase of L.E. 35 million. The number of workers engaged in this industry thanks to the Plan projects will be increased by 21 thousand labourers.

**Basic Metal Industries :**

Basic metal industries encompass all those industries engaged in the extraction of metals out of ores, rolling, drawing, forging and other processes. They may be divided into two main categories : ferrous and non-ferrous. Up to 1952, there was no iron and steel industry, except for a few companies producing bars for reinforced concrete out of scrap iron accumulated in the country during the Second World War. Similarly with regards to the non-ferrous industries such as copper, aluminium and zinc there were very few firms manufacturing these metals from imported raw materials or from scraps. Due to the importance of these industries, the Revolution government gave them the proper attention and issued laws prohibiting the export of scraps and the importation of any kind of reinforcing steel bars competitive to those produced locally. As a result, our local production increased from 25 thousand tons in 1952 to 128 thousand tons in 1959.

The role of those industries in the national economy was recently increased after establishing the Iron & Steel Co., which extracts iron from local ores. Production in this factory started in 1958, and when it reaches its full production capacity the plant will yield 240 thousand tons of cast iron which are equivalent to 210 thousand tons of steel products.

Investments amounting to L.E. 47 million were allocated in the Five-Year Plan for the development of this sector with the aim of achieving the following :

1 Increase of output of reinforcing steel bars to 210 thousand tons at the end of the Plan.

2 Increase of output of the blast furnaces of the Iron & Steel Co., by 25% of its present capacity and completing the equipment and machinery needed for processing the increased production.

3 Manufacturing all or most of the requirements of iron and steel products, such as iron, wire, ropes, rails, plates, sheets etc. These needs are estimated at about 465 thousand tons.

4 Providing the raw material for producing copper and zinc in order to diminish the dependence of the non-ferrous industry on imported raw material.

The production of this sector will increase from L.E. 18.8 million at the beginning of the Plan to L.E. 124.4 million at the end of the Plan; thus making an increase of L.E. 105.6 million over 1959. The income will similarly increase from L.E. 7.3 million in 1959, to L.E. 48.6 million, with an increase of L.E. 41.3 million.

The man power needed will rise from 12,300 workers in 1959, to 50,000 workers at the end of the Plan, with an increase of 37,700 workers.

**Engineering Industries :**

These industries include the production of metal goods, manufacturing and repair of electrical and non-electrical machinery, the wood and rolling stock industries.

These industries which were established in the Southern Region before and during the Second World War, were basically unsound, and were, therefore, severely affected by post war foreign competition.

Neither raw material, nor finished products were uniform or properly specified. Production cost was high due to low productivity, high cost of raw material imports, expensive electric power supply, and finally unsuitable economic proportion. This was accompanied by the difficulty in importing necessary spare parts and even raw material.

The most important steps taken by the Revolution to overcome these difficulties were the following :

1 — Establishing the Egyptian Organization for Standard Measurements which is to be the national authorized reference for standard specifications and calibration in the country.

2 — The assistance of the Industrial Bank in establishing and supporting industrial organizations.

3 — Providing the necessary foreign currency for supplying the industry with raw materials and imported spare parts.

4 — Establishing training centres for workers in metal and car industries and setting up an institute of technology.

As a result of all these measures, production of the engineering sector increased from L.E. 37.8 million in 1952 to L.E. 58.3 million in 1959.

The Plan aims at increasing production and transport equipment due to the importance of these industries with respect to other industrial projects.

Total investments allocated for the engineering industries are L.E. 62 million. This is expected to yield an increase in production of about L.E. 70 million, and a further increase in income of about L.E. 30 million and provide employment for about 51,000 workers.

And now, Brethren, this was a short review of the share of electricity and industry in the development plan. To give a clearer picture of the volume of this sector and point out its importance, I would like to draw your attention to the fact that in the next five years, investments in that sector will amount to L.E. 578.7 million representing 34% of the total investments in the Plan.

These investments are expected to raise industrial production from a value of L.E. 1094 million in 1959/1960 to L.E. 1814 million in 1964/1965 ; an increase of L.E. 720 million, or some 66%. Furthermore this increase will amount at the end of the Plan to 67% of the total increase of production in all sectors.

Incomes generated from the industrial sector will increase from L.E. 273 million at the beginning of the Plan to L.E. 540 million at the end, marking an increase of L.E. 267 million or nearly double the initial income.

Moreover, the expected increase in the industrial income equals more than half the increase in income expected from all the other sectors.

This sector will fulfill an increase in employment of 215 thousand workers representing about 21% of the total expected increase in manpower.

This shows the great progress expected in the national economy over the coming five years.

## TRANSPORT, COMMUNICATIONS & STORAGE

Development projects cannot move ahead without public utilities; transport, communication and storage, for they are analogous to the veins and nerves in the human body; they convey life and establish connections and relations between the different individuals in their economic and social life.

For this reason the Revolution government issued legislations enabling these utilities to perform their tasks according to the most advanced systems and methods without being bound by dogmatic rules and regulations and red tape. It established administrative and planning organizations for each of these utilities and supervised their work. The government considers that these utilities are instituted for the public welfare and that personal interests and whims should under no circumstances hinder the performance of their services.

Some of the most important controlling organizations which were established after the Revolution are : The General Organization for Internal Navigation, the General Organization for Maritime Transport, the General Organization for Petroleum and the General Organization for Storage, beside the General Organizations for Railways, Telecommunications, Postage, the General Foundation for Road Transport and the General Committee for Internal Transport.

Foremost among these is the nationalization of the Suez Canal, which restored this vital waterway to the sons and grandsons of those who constructed it with their blood and tears, and which completed our political and economic independence.

The continuous growth of the population, the enlargement of the commercial activity and the expansion of civilization, put an increasing

burden on the sector of transport and communication which was exhausted during the past World War, and the years following it before the advent of the Revolution. The State was thus obliged to face, in the next few years, a heavy financial burden for the reparation of transport and communication systems and in order to face the increasing burden.

These considerations were attended to in the Plan. This sector received total allocations amounting to about L.E. 272 million, that is to say, 16% of the total investments. This is a high percentage due to the special circumstances which I mentioned; it is expected to decrease sensibly after the first Five-Year Plan.

I shall here review each activity within this sector :

**The Railways :**

Railway transport is considered the most important of the internal transport utilities. It is responsible for the transport of about 60% of the passengers and about 50% of the goods.

After the Second World War, railway equipments were depreciated to a great extent as a result of stopping all renewals. This urged the government, following the advent of the Revolution, to give great attention to this utility. L.E. 30 million have been spent, as capital expenditure since 1952 till now. L.E. 100 million were allocated in the next Five-Year Plan for the execution of the projects of replacing steam engines by diesel engines, for the completion of necessary renewals of the rails, for the construction of two bridges over the Nile at Benha and Berket-El-Sabeh and for the introduction of the central control system in the Upper Egypt line south of Assiout which dispenses with doubling the rails in that region, and the project of automatic control of the locomotives and the extension of railways to the site of the High Dam and the port of Alexandria, together with the construction of training schools and laboratories for research and testing of materials.

These projects are expected to bring about an increase in passengers traffic from 98 million in 1959 to 123 million at the end of the Plan, and the increase in transported goods from 8.4 million tons in 1959, to 10.15 million tons at the end of the Plan.

**Roads and Land Transport :**

The length of the paved roads in 1952 was 3500 km. while the total length of the public roads is 19500 km.

The Revolution gave major importance to paving the roads, and has spent about L.E. 18 million since 1952, for this purpose. This resulted in increasing the paved roads to 5800 km. in 1959, thus achieving an increase of 2300 km. above 1952.

The Five-Year Plan includes investments amounting to L.E. 20 million for roads projects so as to increase the length of paved roads by about 2000 km. at a rate of 400 km. annually, and the construction of five bridges on the Nile at Khatatba, Shubrakhit, Kena, Luxor and Edfu.

Concerning land transport, the number of public buses increased from 1200 to 1385 since 1952, with an increase of 15%. The bulk of transport at present is estimated at 120 million passengers.

The Plan allocated investments amounting to L.E. 5 million for the purchase of buses to replace old ones.

The Plan also allocated L.E. 10 million for the improvement of the means of transporting goods, L.E. 8.5 million of which will be used for the purchase of 3000 trucks to replace the depreciated ones and L.E. 1.5 million, for the purchase of about 1000 new trailers.

Inside towns, the ratio of paved roads is about 90% in Cairo and Alexandria while it is much lower in the capitals of governorates. The Plan has allocated L.E. 6 million for the paving of roads in the next five years.

The Plan has allocated investments amounting to L.E. 7.2 million for means of transport inside the towns, of which L.E. 5.3 million for buses in Cairo, Alexandria, and the towns, and L.E. 1.9 million for the tramways, trolly buses and suburban electric trains in Cairo and Alexandria.

The number of taxi-cabs is about 10 thousand, and they are not expected to increase within the plan period. Private cars are about 60 thousand in number.

L.E. 4 million are allocated for the replacement of private cars in the Five-Year Plan.

**Inland Navigation :**

This utility is considered one of the oldest means of transport in the country, in the meantime it did not undergo any large scale modern re-

newal, till the advent of the Revolution, when the navigation line between Cairo and Alexandria was established. At present, work is underway to improve the navigation line between Cairo and Aswan and to implement the project of the Tanta Navigation Canal. The Five-Year Plan includes the necessary investments for the following projects :

**Nile Harbours :**

Straightening of the locks and removal of obstacles in the navigation conduits.

Establishing The Nasser Fleet for transporting iron ore (350 thousand tons annually) from Aswan to Helwan, on the return voyage it serves in the transport of petroleum products (110 thousand tons).

Increasing the number of mechanical units and tugs from 1300 to 1500.

Investments on this field of activity total L.E. 6.7 million, L.E. 5 million of which shall go to the navigation conduits and L.E. 1.7 million to the moving units.

It is expected that these investments will result in increasing the number of passengers from 1.5 million passengers at the beginning of the plan to 1.75 million passengers at its end and increasing transported goods from 2.75 million tons to 3.75 million tons.

**Transport by Pipelines :**

Pipelines are the cheapest means of transport for petroleum.

The Cairo—Agrood pipeline constructed by the British forces, and handed over to the Egyptian authorities after the evacuation of these forces, is the first petroleum pipeline in the Southern Region. It was followed by the Cairo—Suez pipeline for black products which was operated in 1956.

A net of pipelines is now under construction, for which allocations amounting to L.E. 3.8 million were made :

a — The pipeline between Alexandria and Kafr El Dawar for white products.

b — The pipeline between Alexandria and Tanta for the transport of mazout.

c — The pipeline between Mostorod and Helwan for the transport of mazout.

d — The pipeline between Cairo and Agrood for the transport of white products, to replace the actually existing pipeline which is almost depreciated.

**Maritime Transport :**

Great attention was devoted by the present regime to the consolidation of the Mercantile Fleet. For this purpose, the General Organization for Maritime Transport was established. The capacity of this fleet increased from 85 thousand tons to 152 thousand tons. It now handles 4% of the imports and about 10% of the exports.

In the Five-Year Plan allocations amounting to L.E. 8 million were made to raise the tonnage of the Mercantile Fleet to 292 thousand tons which will render it capable of handling 30% of the imports and exports of the Southern Region.

**Harbours and Lighthouses :**

Egyptian harbours, especially the port of Alexandria, had for long been sadly lacking in mechanical means of loading and unloading, such as dry docks, deep piers, floating cranes and towboats. Besides there was no significant port along the Red Sea coast which extends over more than 1500 km., despite the need for such a port due to the abundance of metals in this Region.

The improvement of the Alexandria harbour, has included the construction of quays for passengers, docks for petroleum, quays for chemical fertilizers and huge depots for goods. Piers for heavy goods are now under construction.

The second Five-Year Plan includes numerous projects aiming at raising the proficiency of Egyptian harbours. The most important of these projects are :

Providing the quays and depots with cranes of various capacities, the construction of new quays, the purchase of a floating pontoon, the con-

struction of wireless navigation guidance stations for the expansion of Safaga harbour and the improvement of the mining harbours along the Red Sea.

The total allocations for these projects, in the Plan, amount to L.E. 7.3 million.

**Air Transport and Installations :**

Air transport is one of the state's vital utilities. Particular attention was thus paid to its expansion so that all cities in the Republic might be connected with each other, and with the rest of the world.

Special mention must be made to the important role played by air transport in linking the two Regions of the U.A.R. It is considered the most effective means of transport between the two Regions due to the impracticability of land and sea transport.

Due to this importance, the present government has given great attention to air transport. The longest and strongest runway in the Middle East was constructed in Cairo International Airport. The state also constructed the quarantine building in Cairo Airport. It also established and operated a system for blind landing to enable the landing of the aeroplanes in case of bad weather or difficult visibility. It established wireless teleprinters to connect Cairo airport with foreign airports for the exchange of wireless messages at a speed conforming with modern aviation time.

The attention of the State was also extended to the airports in Mersa-Matruh and Alexandria. A new airport was also constructed at Aswan.

The second Five-Year Plan, includes the following projects :

The completion of Cairo International Airport.

The completion of the buildings, constructions and equipment of the airports at Embaba, Aswan, Mersa-Matruh; El-Tor, Alexandria, Assiut, Port-Said, and Minia.

The completion of the airports in the mining regions in Ras-Neiaz, Abu-Zenema, Qussair, Mersa-Alam, and Ras-Sudr

The establishment of training centres for Arab technicians.

Allocations for these projects amount to L.E. 4.5 million.

Concerning the means of air freight, the United Arab Airlines is now renewing its air fleet for internal and foreign services, by replacing the Vicking and Dakota aeroplanes now in use by modern ones. The company is also increasing its Viscount fleet and has also started to fly the Comet Jet-propulsion aeroplanes on its international routes. The allocations in the Plan for these purposes, amount to L.E. 6 million.

**Telecommunications :**

Telecommunications have also made marked progress following the advent of the Revolution. The achievements of the five years following the Revolution, equal the total constructions made during the twenty years preceeding the Revolution.

Automatic telephone lines in the Southern Region of the U.A.R. were about 97 thousand lines in 1954, their number was increased to about 138 thousand lines in 1959.

The Five-Year Plan included allocations amounting to L.E. 21.7 million for this sector to be used for the implemention of various projects such as the establishment of new central stations, coaxial cables, automatic telephones, teleprinters, completion of the transmission station to the Arab States and the central receiving station in Cairo.

It is expected that the number of lines in operation at the end of the Plan, will reach 262 thousand lines, with an increase of 74 thousand lines over 1959.

**The Broadcasting Service :**

Before 1952, the broadcasting service had only one medium wave transmission station. It offered one Arabic programme for 12 hrs. to serve the local audience; this programme, however, was hardly audible in the Southern parts of the Southern Region. Besides, there was a European local programme to serve the foreign settlers.

The present regime lavished attention on the broadcasting service. It constructed new stations, increased broadcasting hours, created directed programmes for overseas to make the voice of the U.A.R. audible beyond our boundaries, explain the national view point in world events, contribute in their discussion and give its opinion as well as explain Arab problems and answer all enemy allegations.

It followed that the broadcasting programmes are now on during 21 hrs. a day. The power of emission increased from 72 kws. in 1952 to 1092 kws. in 1958.

Besides, the State strengthened the system of transmission. It constructed relaying stations at Minia, Assiut, Sohag, Luxor and Aswan. It also constructed booster stations for medium and short waves. A huge net of aerials was erected in many regions. New studios were furnished according to the most modern broadcasting systems. The state did not overlook the need to raise the standard of production, it established a training centre for broadcasting, and sent delegations to the world broadcasting conferences and to other broadcasting services, in order to exchange experience and cultures.

The funds allocated for the broadcasting service in the Plan investments amount to L.E. 6.2 million. The most important project in view, is the television project, which shall start working in the next Revolution Festival (23rd July, 1960). Transmission will cover 5 hours for the Arabic programme and 3 hours for the foreign programme. Thirty thousand television sets have been imported. Sets, however, shall be produced locally in the near future.

**Postage :**

The number of post offices increased from 789 in 1954 to 840 in 1959. This number will be further increased to 925 at the end of the Plan. The sum of L.E. 2.8 million has been provided in the Plan to improve the quality of service, extend it to the collective units regions and introduce the use of the automatic sorting system, electronic apparatus in accountancy and statistical works. The sum also includes the establishment of training centres and a press for ordinary and memorial stamps.

**Storage :**

The method of storing grain in the Egyptian Region maintained its primitive pattern for long years. Such a system made it impossible to protect grains against pests in an effective way and caused great losses, which amounted to about L.E. 8 million in wheat and corn every year.

The State, under the new regime, decided to introduce modern methods of grain storage to preserve the people's food, and save their effort and money. It established the General Organization for Storage which is to be responsible for the pattern and the various means of storage. This

organization is now supervising the construction of two grain silos in Cairo and Alexandria. The first has a capacity of 40 thousand tons and is expected to increase to 58 thousand tons while the second has a capacity of 30 thousand tons, expected to increase to 48 thousand tons.

The country will draw great benefits from these two silos, through avoiding the waste due to bad storage and insuring the requirements of country in grain for sixteen months. Besides the quick automatic unloading of vessels, they will also save the price of packing.

A new silo with a capacity of 25 thousand tons will be constructed in Port Said, beside numerous storage units scattered all over the country, each with a capacity of 4000 tons.

The Plan allocated the sum of L.E. 6 million for these storage projects.

Concerning cold storage, the Southern Region has now 40 cold stores, with a total capacity of 100 thousand cubic metres. Eighteen new cold stores will be constructed with a capacity of 6000 tons of foodstuffs, such as meat, fish, vegetables and fruits. They will be situated in Cairo, Alexandria and Suez, besides 15 cold stores in the capitals of the governorates.

The Plan included investments amounting to L.E. one million, for cold storage projects.

The Plan also allocated the sum of L.E. 2.7 million for petroleum storage, to be utilised for the construction of 17 reservoirs in the country, whose total capacity suffices for three months consumption of petroleum products.

**The Suez Canal**

The investments necessary for the execution of the improvement and expansion programmes in the Suez Canal during the next five years, amount to L.E. 35 million. This includes, the completion of the eighth improvement programme which allows the passing of ships whose draft reaches 37 feet, starting the Nasser project for ships with a draft of 40 feet, enlarging the section of Ferdan Bridge, the construction of a new bridge, the construction of new roads and bridges in Reswa and Al-Koubry, improvement of Port-Said harbour, the construction of a floating

pontoon to serve ships of 25,000 tons, the construction of a marine arsenal and research centre, and the purchase of equipment, two boats and dredgers.

This is a quick survey of the transport, communication and storage sector in the economic development Plan. The total production of this sector at the beginning of the Plan amounts to L.E. 135 million — of which the Suez Canal contributes L.E. 45 million — and it will rise to L.E. 164 million at the end of the Plan, with an increase of L.E. 29 million.

The national income shall be increased from L.E. 97 million, at the beginning of the Plan, to L.E. 117.5 million at its end, with an increase of 20%, in spite of the fact that the investments allocated for this sector in the Plan are about L.E. 272 million. Thus the coefficient of capital to income in this sector reaches to 14 : 1 which is superior to that of the other sectors.

If we add to this, that the increase in employment which this sector brings about due to this huge expenditure does not exceed 7 thousand persons, that is to say 4% of employment in the base year and the increase in wages will not exceed L.E. 6 million in the Plan, all these factors, which justify the fact that this sector as a whole (except for the Suez Canal) is a burden upon development, but nobody can deny that its activity is important with regard to the whole.

## HOUSING

Building in the towns of the Southern Region was stopped during the last war. It was resumed after the war on a large scale for the benefit of the rich classes who desired luxurious dwellings and could afford the high rents, which added to the acuteness of the housing problem for the poor classes as well as those of medium income.

Actually there was no fixed policy for housing projects during the regimes which preceeded the Revolution. In 1951, a law was issued to organize the problem of the popular dwellings, but it was never put into execution. The popular dwellings before the Revolution did not exceed 1100 dwellings for the labourers in Embaba.

After the Revolution, the mean rate of annual investments in

dwellings was increased to L.E. 40 million in 1955 as a result of the flow of a large amount of capitals into the buying of lands due to the Agrarian Reform Law and due to the wish of government to revive this industry as a means of combatting the unemployment and stagnation which resulted from unsound financial dealings during the period prior to the Revolution.

The Revolution government undertook to ammend the law for appropriation of lands for the popular dwellings. It also issued special legislations to exempt the organizations in charge of the popular dwellings from registration fees, to organize the supervision of the popular dwellings and to organize the granting of loans to the cooperative societies. The government also decided to cut down the rents of the new buildings by 15% over 1952, then by 20% for the buildings which were constructed after 1952. When the cooperative societies turned to build luxurious buildings a law was issued to limit the value of the loans granted to these societies.

The countryside was in no happier state than the towns before the Revolution. The past governments did not give it any attention. After the Revolution, the State paid great attention to the projects of village planning.

Projects for planning numerous villages were actually prepared, foremost among which, were the villages in which collective units were established, villages of the Agrarian Reform and the villages which have been striken by fires or catastrophes. The state also constructed suitable rural dwellings in the region of the Agrarian Reform and the Tahreer Province.

The housing plan for the next five years was prepared so that it will secure suitable dwellings for the classes which were deprived of attention in the past. This is done in conformity with our democratic socialist and cooperative principles.

Total investments for housing in the Plan are about L.E. 175 million, these amount to 10% of the total investments of the Plan. Of these investments, L.E. 146 million were allocated for urban dwellings and about L.E. 29 million for rural dwellings.

These investments shall result in building about 189,000 houses in towns. with an average of 37,800 dwellings annually, 22,500 of which shall

be popular dwellings, 11,300 medium type dwellings and 4,000 of the above medium dwellings. The popular dwellings shall be distributed among all the towns of the Southern Region.

In the country 135,000 housing units shall be constructed including the dwellings necessary for the new reclamation regions.

You see that the housing projects are a public service for the people, yet the policy of luxurious constructions in the past, rendered it a means of capitalistic exploitation without regard for welfare and development in general. As the country is now undergoing an industrial and constructional revival the Plan has directed the architectural and structural activity towards the new development projects. In accordance with the socialistic policy, the Plan is to concentrate upon the popular dwellings to serve the working classes.

## PUBLIC UTILITIES

Due to the importance of the public utilities projects which serve public health and secure prosperity for the citizen, the Five-Year Plan included, for these projects, investments amounting to L.E. 49 million, distributed as follows :

| | |
|---|---|
| Drinking Water Projects | L.E. 17.0 Million |
| Drainage Projects | L.E. 17.9 » |
| Planning and Organization Projects | L.E. 4.4 » |
| Cleaning and Mechanical Transport | L.E. 5.3 » |
| Filling in Ponds | L.E. 0.55 » |
| Municipal Constructions | L.E. 3.8 » |

I shall try to survey each of these utilities separately :

**Drinking Water Projects :**

Not more than 2 million persons were drinking filtered water in the country till 1952, i.e. 15% of the total population of the country at that time.

In the towns, the number of those who profited by the filtered drinking water, till 1952, was about 7 million persons.

Due to the vast importance of drinking water and its far reaching effect upon public health and the promotion of the standard of living for all citizens, the Revolution government gave it the greatest importance and undertook to develop this utility by the completion of the water plants in the countryside which were partially executed in the past without being fully utilized, the construction of the major potable water plants to supply Northern Delta Regions whose underground water is not suitable for drinking, and the construction of the minor mechanical plants to feed the rest of the Regions deprived of potable water supplies in the country.

These projects provide about fourteen million persons of the rural population with drinkable water since the beginning of 1960.

In the towns, the Revolution government achieved the expansion and renewal of the existing plants in some towns and the construction of new plants. The piping nets were also expanded and completed. These projects resulted in the increase of the number of those who benefit by drinkable water in towns to about 10 million persons at the beginning of 1960.

Thus, since the beginning of 1960 those who enjoy drinkable water supplies in the Southern Region amount to about 24 million persons.

The Five-Year Plan included investments amounting to L.E. 17 million which will result in increasing the number of those who benefit from filtered drinking water in the Southern Region to 28 million persons, of which 17 million in the countryside and 11 million from the town population.

**Drainage Projects :**

Those who benefited from drainage projects till the rise of the Revolution did not exceed 2.5 million persons.

The Revolution government paid special attention to these projects due to their marked effect upon the hygienic protection of the citizens. It has implemented drainage projects in many towns till the number of those who benefit by them amount to 5 million persons at present.

The Five-Year Plan includes investments to the value of L.E. 17.9 million to expand and renew the drainage network in Cairo and Alexandria, to raise the efficiency of the drainage system in seven towns, to complete projects in eleven town and execute new projects in 18 towns.

The execution of these projects will result in raising the number of those who benefit by such works at the end of the Plan to about 7.5 million persons.

**Projects of Public Cleaning and the Mechanical Expedition :**

Before 1952, not more than L.E. 100 thousand, were spent annually, upon the public cleaning projects and the mechanical expedition. After the Revolution the rate of annual expenditure on this sector was increased to L.E. 250 thousand. The Five-Year Plan includes investments to the value of L.E. 5.3 million for these projects at a rate of more than L.E. one million annually.

**Planning and Organization Projects :**

The past governments did not pay attention to the town and village planning projects, thus the growth of towns and villages was unregulated.

The Revolution government, started to lay out projects for the planning of the big towns so as to direct their development and to define the regions where houses, commerce, industry, and entertainment should be in each town, together with the connection of these regions with a network of highways.

The general plan for Cairo and Alexandria have been prepared beside some capitals of governorates and twenty four villages.

The Five-Year Plan includes investments to the value of L.E. 4.4 million for the planning of the capitals of government and touristic towns, besides 400 villages including the villages which have collective units, the Agrarian Reform villages and the new villages on the areas where land is being reclaimed.

**Projects for Filling in Ponds and Marshes :**

The number of ponds in the Southern Region is about 10,000 covering an area of about 9250 feddans.

Since the advent of the Revolution, the Government started to take the necessary steps for filling in a large number of these ponds. 3200 ponds have been actually filled in ; their total area is about 4,700 feddans.

The Five-Year Plan includes investments to the value of L.E. 350 thousand to proceed with the programme of filling in ponds and marshes.

**Municipal Installations**

Inspite of the great obligations thrust upon the municipal councils, which are the nucleus of the democratic rule in the country, the past governments did not extend any assistance to these councils, but even deprived them of many of their revenues against compensations in the form of annual subsidies. This rendered these councils unable to effect any progress in the vital utilities.

After the Revolution, the subsidies granted to these councils was increased. Many of the main revenues of these municipalities which were formerly taken by the government are now allocated to their use.

They were exempted from taxation and fees. The government allowed the municipalities to collect taxes on buildings. These measures resulted in increasing the revenues of the municipalities, which helped them to implement many of their projects.

After the Revolution, the Cairo Municipality constructed the Nile Corniche extending from the Barrages to Helwan, constructed and widened many streets, squares, as well as the University Bridge and the Cairo Stadium.

The Alexandria Municipality executed the project for widening its main entries by building Nasr Street and expanding the Zoological gardens.

The Five-Year Plan includes allocations amounting to L.E. 3.8 million for municipal installations, the completion of the collective building for the administrations of the Ministry of Municipal and Rural Affairs, the construction of Cairo, Alexandria, Port Said, and other municipalities. Besides the construction of the administrative building of the Provincial Centrals, it has completed the lavatories in mosques, constructed collective buildings for stores and municipal garages, besides the construction of a model slaughter house in Cairo.

When the law of local administration is organised and applied, and the local organizations assume their full authority, the affairs of planning, organisation, public utilities and housing, shall be directly related to the

inhabitants of each town or village. This will render them more capable of appreciating the importance of these services and directing them towards the fulfillment of their interest.

## SERVICES

To conclude my speech about the role of economical sectors in the development plan, I wish to give a few facts about the «Services Section».

The fact that it comes last does not mean that the Services Section has a minor importance. We give production projects priority because we consider them the spearheads which will help in increasing products and developing our economy so that we may be more able to develop and increase services.

Thus it is natural that development in its early stages should start by production projects rather than services projects.

The planner, however, does not overlook the fact that though Services projects do not seem to yield direct production, they actually lead to an indirect development as a result of raising the individual's proficiency and increasing his capacity for production.

Branches of services are, education, scientific research, health services, social and religious services, security services, justice, defence, organisation services.

All these services are governmental. But financial services, commercial, cultural and recreational as well as personal services have a private pattern.

Before the Revolution, capital and foreign influence were dominating the government. So, these services, were directed to serve the capitalists and the influencial people, through the drawing up of a special policy and particular legislations. Social services were few. We still remember the time when the rich redeemed their sons from the honour of military service in the army by paying compensation in cash. Even theatres, night clubs and various means of entertainment, were only open to the rich who alone could afford their expenses.

When the Revolution government came to power, it did not spare any effort to abolish all these practices and to make services accessible to all in a society where justice and equality prevail.

**Education :**

The Revolution's attention to education has borne great fruits. Its result is that the pupils in primary schools increased from 1.4 million in 1952 to 2.5 million in 1959 — the percentage of compulsory education rose to 77% — and it is estimated that the investments in the Five-Year Plan will increase this percentage to 87%.

With regards to secondary technical education, it is now receiving great attention from the Government, especially because it has been greatly delayed during the period of foreign occupation due to the colonisers' intention to delay our industrial renaissance.

The number of schools of that type were increased from 54 schools in 1952 to 104 in 1959 and is estimated to reach 115 at the end of the Plan.

The number of the attenting students were increased from 20,000 in 1952 to 53,000 in 1959 and is expected to reach 81,000 by the end of the Plan.

The investments allocated for education (primary, preparatory general and technical, secondary general and technical institutes) amount to L.E. 30 million.

The Universities will receive the sum of L.E. 9.5 million besides L.E. 3 million allocated for scientific research in universities.

Due to the Revolution's firm belief that scientific research is the most important aspect of our modern society and that talk now revolves around scientific exploitation instead of political and economic exploitation as before, that countries are now divided into countries that know and countries that do not know and believing that scientific research is one of the main means of development, the government elstablished the National Research Centre, the Science Council the Atomic Energy Commission and other scientific organisations and allocated investments to the value of L.E. 6.4 million in the Plan for scientific research, beside L.E. 3 million for the universities as previously mentioned.

**Health :**

With respect to the health services the present government paid great attention to endemic diseases, chest diseases, and infectious diseases, beside its attention to preventive hygiene.

The government was concerned with the extension of health services all throughout the country. In 1952 there was only 205 health units, there are now 249 units.

Two hundred and fifty collective units were constructed as well as 168 polyclinics. This resulted in increasing the number of beds catering for the countryside from 1600 beds in 1952 to 6400 in 1959.

In the towns, the number of beds increased from 36 thousand beds in 1952 to 50 thousand beds in 1959. The number of beds in the treatment units rose from 22 thousand beds in 1952 to 33 thousand beds in 1959. The number of beds in the chest hospitals rose from 377 beds in 1952 to 8784 beds in 1959 and in the fever hospitals the number rose from 4423 beds in 1952 to 5450 beds in 1959.

Proceeding with the policy of the revival of spreading health services, the Five-Year Plan allocated investments to the value of L.E. 10.4 million for these services. These will be distributed as follows : Construction of 6 units for the treatment of endemic diseases, 400 centers for child welfare, adding 400 beds to the leprosy colony at Ammaria, construction of 27 central hospitals (1080 beds) a chronic diseases hospital (200 beds), ten hospitals for chest diseases (2600 beds), five hospitals for fevers (200 beds), 2 hospitals for students (200 beds) and a hospital for mental diseases (800 beds).

Besides, 30 medical units in the remote and desert regions, units for dissemination of hygienic knowledge and institutes and hospitals necessary for research and treatment shall also be constructed.

Brethren,

I have spoken about educational and hygienic services in the development Plan. You know that the government endures the largest part of the expenditure on these services besides the social and guidance services. Naturally the government carries out directly the services of security and defence besides the largest part of the judiciary services. The Plan has included the investments necessary for these services in the next five years.

I need not explain to you the government's efforts in the fields of public culture, and means of communicating with the public, because you are all aware of these efforts. In this respect an epoch marking resolution

has been issued transfering the ownership of the press to the National Union, and entitling this popular organization to supervise the affairs of the press. The State is reinforcing the systems of information, publication and broadcasting. The Plan has provided the investments necessary for these systems in the next five years.

The burden of the services sector does not fall upon the public sector only, there are many important services undertaken mainly by the private sector. The most important of these are cooperative services, and commercial and financial services.

The State pays all these services its full attention, as it realizes the responsibilities and loads which they shall carry as a result to the execution of the development Plan. Of these I shall speak to you as briefly as possible.

**Co-operatives :**

The philosophy of the State, involves the creation of a cooperative society. Cooperation may occur in production, distribution or services. The State paid attention to the encouragement of the cooperative movement with all its types of societies and aspects. The number of cooperative societies, of all types, agricultural, industrial, consumers, distribution, domestic and school societies, reached about 4336 societies in 1959 while this number was only 2105 in 1952.

It is to be noted that the cooperative movement is quickly spreading and expanding through the increase of these societies and the variation of their activity. Cooperation is considered the best means of guarding against the domination of capital over commerce and prices, and the best means of enabling the consumers to get their needs at the lowest prices and consequently resulting in the decrease of living costs. This has a great importance, especially for labourers and people of limited incomes, besides the cooperative services which are undertaken in the fields of production, distribution, and securing other economic and social services.

For the success of the cooperative movement it is necessary that the administration of the cooperative societies should reach a standard of proficiency which will enable them to perform their functions. Thus the government provides these societies with the necessary credit, guides the persons responsible for them and offers them experience and advice.

It is estimated that these societies will be granted loans for invest-

ment in the five years of the Plan reaching to a value of about L.E. 30 million. As to the credit facilities for current purposes, they are expected to reach the sum of L.E. 40 million.

**Internal Trade :**

Internal trade is closely connected with the other aspects of economic activity and it renders them great services. Therefore it was natural at the time when colonization was dominating the Egyptian economy, that its domination should also extend to internal trade.

The present government did away with colonization and its agents, fought against monopoly especially with regard to the commodities produced locally, expelled intruders and speculators, put an end to illegal competition, helped in organizing bodies representing merchants who would undertake the defence of their interests within the frame-work of the public welfare.

For the fulfilment of these targets, important amendments were made in the regulation of the Cotton Futures Market, aiming at opening this field to all citizens. A law was issued to control the commercial agencies and confine the practice of the profession to these who enjoy the Arab nationality. Lastly, the law concerning the general regulation of the Cotton Exporters Union was issued. Thus by all these laws the government put an end to foreign domination in the field of both import and export.

The government supervised the prices of local products. It encouraged the establishment of local bazars and the organization of production exhibitions and fairs. It established the General Organization for the Affairs of International Exhibitions and Fairs. It also issued the law of Commercial Book Keeping in 1953, and the law establishing a syndicate for accountants in 1955.

All these measures and others have been taken by the State to control the affairs of internal commerce. No doubt that laying this important sector on a sound basis will help the Plan to achieve its objectives.

It is worth mentioning that the number of establishments engaged in the internal trade sector in 1959, reach about 267 thousand establishments, as against 247 thousand establishments in 1951, with an increase of not more than 1% annually, while the activity of these establishments increased at the rate of 5% annually. This demonstrates the increase of the average volume of activity for each establishment. This is confirmed

by the fact that the total invested capital almost increased at a similar rate. During the coming years of the Plan, it is expected that this annual rate will increase to about 8% and employment will be increased at a rate of 3% annually.

**Banks and Financial Establishments :**

Before the Revolution, most of the banks in the Southern Region were branches of foreign banks. They took their instructions from their central offices abroad. They used to concentrate their operations on financing the cotton export trade and not in the field of industry. They also prefered to facilitate land credit to the big land owners who used to spend it on appearances and to purchase lands and buildings, which lead, in most instances, to the mortage of the Egyptian land and buildings to the foreign capitalists.

The economic blockade which was conducted by the colonial states upon Egypt, after 1956, revealed the deceit of the foreign banks and the injuries they caused to the economic interests of the State, since they stopped the usual financing operations, and made bad use of the State's foreign funds in their attempt to affect the country's foreign trade.

The Revolution government, for these reasons, had to take a decisive measure to control this sector, prior to the overall planning which will add a heavy burden upon the State banking system and upon the Central Bank. The government egyptianized the branches of foreign banks and foreign insurance companies. Thus it has exterminated any foreign domination over the country's financial life.

Moreover the State has issued other laws for the control of this service. The most important of these, is the law for the organization and control of commercial and specialised banks. This law gave the National Bank wide authority, as a central bank, to orient credit in accordance with the requirements of the commercial, industrial and agricultural activities, and to protect the national economy against economic and financial disturbances which would result in the unsoundness of the financial position of some banks. This law controlled the process of issuing and covering the currency notes and fixed methods to be followed by the central bank in carrying out its policy. This law is considered the turning point in our economic and financial policy.

Lastly, the State has nationalized the National Bank, as it has the right of control and supervision over the other banks and because it issues the bank notes, and dominates the currency policy of the State. All

these reasons are in contradiction with letting the bank remain a private establishment, in which the share holders have the right — to some extent extent — to direct its policy.

To create a national market for capital, the government has supported the financial establishments which accumulate savings and direct them towards investment. It has supported the Agricultural and Cooperative Loan bank and the Industrial bank. It established insurance and pension funds, it organized the Postal savings fund, the Social Insurance Foundation and lastly the Economic Development Organization and the Organization for the Five Year Industrialization Projects.

All these rendered the capital market, today, ready to perform the financial operations required by the national Plan.

## SUMMARY OF INVESTMENT, PRODUCTION, INCOME AND EMPLOYMENT IN THE SERVICES SECTOR IN THE FIVE-YEAR PLAN

| Items | Investments (Million L.E.) | Increase in Production (Million L.E.) | Increase in Income (Million L.E.) | Increase in Employment (Thousand) |
|---|---|---|---|---|
| Education Services | 42.5 | 18 | 15 | 45 |
| Scientific Research | 6.4 | — | — | — |
| Health Services | 10.4 | 8 | 4 | 13 |
| Security and Justice Services | 8.5 | 19 | 10 | 11 |
| Social and Religious Services | 5.2 | 4 | 2 | 9 |
| Cultural and Entertainment Services | 8.8 | 8 | 5 | 12 |
| Government Organization Services | 16.7 | 17 | 12 | 22 |
| Personal and Tourism Services | 10.6 | 24 | 19 | 42 |
| Trade and Finance Services | — | 45 | 35 | 97 |
| Other Services | 1.9 | — | — | — |
| TOTAL | 111.0 | 143 | 102 | 251 |

## EXECUTION AND PROGRESS OF PLAN

Dear Brethren,

I hope that my talk about the method of planning and the details of the development Plan, has not been too long drawn out. When we speak about the Plan, we speak of our present life and of the future which we are building for ourselves, and for coming generations.

Actually, Brethren, setting the Plan, is the starting point of serious work for every one of us, as the Plan in the form which is now evident is no more than the determination of the line of action and the setting off of the wishes and objectives which we hope to fulfil in the next five years. It is not considered a detailed execution programme, as it does not include the executive policies nor the required legislative, administrative and financial procedures, these have been left to the executive authorities to suggest and to pursue.

The ministries and organizations ratified the elements of the frame-work of the Plan after actually taking part in preparing its projects from the technical point of view and after they expressed their clear explicit opinion on the possibility of executing the projects and realising the objectives at the costs stated within the frame-work. These ministries and organisations will carry out the execution and lay the rules and procedures which they will find suitable.

It is possible, however, that during execution, any of these bodies may find it necessary to make some partial modifications due to some external or internal circumstances which were not provided for in the estimates and predictions, such as, a basical change in world prices or the discovery of new mines or petroleum fields or any other factor.

All such modifications and changes, shall be followed up by the planning system to calculate their effects upon the different elements of the frame-work, so as to secure the maintenance of balance in the Plan during the years of execution and insure the realization of the objectives.

For this purpose, the planning body has set a system for following up the execution, it will measure its rates in all that pertains to the kind of investment and costs, and the extent of approach from the targets of

production, income, employment, export and import, savings, production proficiency and others.

Thus the function of such a system, should include the carrying out of continuous studies, collection of data for measuring the targets and defining the difficulties in financing, savings, execution, in brief, a continuous revision of all the targets and means of the Plan and the suggestion of any modification in it.

Thus, we shall be always ready during the execution of the Plan, to define our position and where we stand with respect to our targets so that we may be prepared for any circumstances, and thus succeed in achieving these targets.

## CONCLUSION
## OUR DUTIES TOWARDS PLANNING

Brethren,

This is the role of planning — its diverging means and major aims.

You have surely realised that planning touches everyone of us. It has a double effect on every individual — both as a producer and a consumer. Consequently every individual can be an effective factor in bringing about the achievement of the targets of the Plan in a continuous balanced economic development.

If this is the state of things, what are our duties towards the Plan and planning ?

The first and most important duty is to respond to the general authorities in their directives which aim at the quickest comprehension of these targets. For example, if we assume that the general sector will follow the Plan, in all its dealing, we may find that the private sector which covers an intensive sector in our Republic — may deviate from this trend to realize personal interests regardless of the serious results which may befall the country.

If after studies of the Planning System, the State, which sets the standards of measure and is more capable of getting an over-all picture, may find it beneficial to direct the investments to a certain direction and take a certain measure in this respect, or find it necessary to encourage

savings by some means or another, the citizens should show great understanding, and respond to its first sign, for it is a step taken in the public interest and for the benefit of the whole. The individual consideration cannot realize the extent of the advantage of such step or its effect due to the narrow individual angle of vision and partiality of emotion.

A prompt and conscious response to the directives of the authorities, will save the trouble of taking stronger and more drastic measures, which the State will reluctantly resort to, to maintain and preserve the major objectives which the Plan aims at, and has decided to achieve and from which it expects great results.

We should conceive that planning always has great objects. To achieve them in the future, it may be necessary to make some trifling sacrifices in the present. For example, in the first stages of industrialisation for economic development, some rise in the standard of prices may occur. This is because, in these stages, means of payment increase as a result of the rush of savings which were kept idle, and also as a result of the funds that shall be imported from abroad, and as a result of the increase of means of credit in general, and the quickness of its circulation during the period of economic activity which accompanies planning. All this happens at the time when the production of the new projects has not yet appeared on the markets. This will exert some pressure upon the standard of prices, such a pressure however will disappear just after the appearance of the new production. Such a rise in prices which planners account for and set under control and restrictions, must not alarm and scare us. We must realise that it is temporary and is only the herald of great prosperity to come.

There is another aspect which may not appear at a superficial glance, despite its huge importance. It is very useful, during the period of planning, that every citizen should himself be a planner with regards to his own income. He should utilize it in the best possible way and lessen his consumption expenditure to the utmost. Many of us spend so extravagantly on food, that it becomes harmful, on clothing which becomes useless and on amusements and entertainments which could be dispensed with. Such kinds of waste have nothing to do with planning. If we can save a small percentage of what is spent on it, this percentage would achieve miracles in realizing the targets of development without causing any harm. If we realize that the consumption expenditure, in the Southern Region, amounts to about L.E. one thousand million annually, and if we could save 3% of this expenditure, we would realize a saving of

L.E. 30 million. This could secure investments amounting to L.E. 90 million that could be directed to an investment production instead of consumptive production, and would push the wheel of planning more quickly towards the achievement of wealth and prosperity for the whole.

We can offer another service to planning, as good citizens, that of offering promptly all required data without hesitation, slackness or misgivings. Data are the soul of planning and we should prepare them conscienciously, faithfully and accurately so that we may help the planner to give a quick analysis, control his results and make accurate estimates.

Thus, each of us can have a planning sense in all his behaviour. The employee in his office plans, when he performs his tasks efficiently, accurately and at the least possible costs, also, the labourer in his factory and the farmer in his field. Each of them can be a planner when he is on his way to his work, by good maintenance of the means of communications and the public utilities which he uses.

All this saves efforts and wealthes that could be invested in a production project that could make us progress towards the targets of the plan.

This is, Brethren, the scheme of prosperity and these are our duties towards it; they are simple and easy compared with the huge edifice, we are now building stone by stone. We should consolidate it through a stable economic independence, being the descendants of the glorious Arab people, now that we have snatched our independence from the the powers who held it with all their might.

History is now witnessing our deeds and shall register what we do whether favourably or unfavourably. The National Union will be chosen by its present actions to occupy a brilliant page full of glory and pride.

I can see on your faces, signs of strength and firm resolve which predict a general abundance and prosperity.

We must proceed on our way with the blessings of Providence, under the wise leader-ship of our beloved President GAMAL ABDEL NASSER, true son of Arabism.